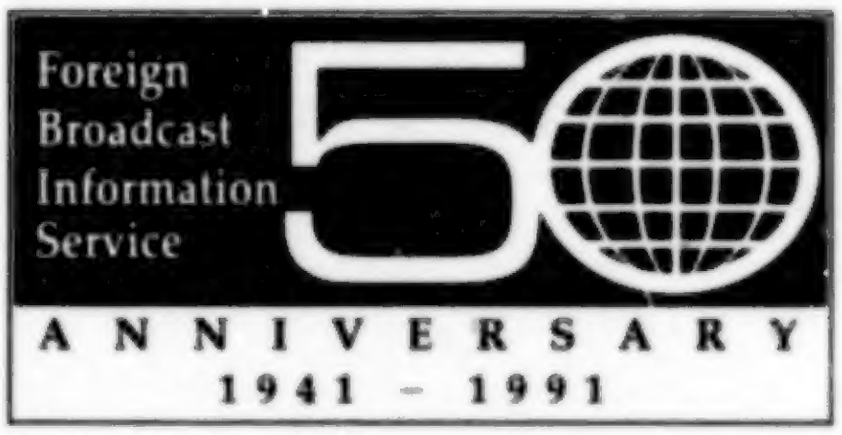

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East Asia

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Japan

Preview of Kaifu's PRC Visit Continues

OW0908131291 Tokyo KYODO in English 1242 GMT 9 Aug 91

[Text] Tokyo, Aug. 9 (KYODO)—Prime Minister Toshiki Kaifu, on the eve of his departure for a three-day visit to China, said Friday he plans to discuss how Japan can best assist China.

Cooperation between Japan and China is important not only for the future of the Asia-Pacific region, but also for the entire world, Kaifu told a send-off party held before his August 10-14 visit to China and Mongolia.

"Based on sincere remorse for past history, I will take a forward-looking stance and discuss how we can cooperate and provide assistance," Kaifu told the gathering of government officials and journalists accompanying him on the tour.

Foreign Minister Taro Nakayama told the gathering that the international community has started to accept Japan's view that China must not be isolated.

Kaifu's August 10-13 visit will be the first to China by the leader of a major industrialized nation since the Chinese Army crushed prodemocracy demonstrations in Tiananmen Square in June 1989.

In meetings with Premier Li Peng and other Chinese leaders, Kaifu is expected to seek cooperation on implementing an international register of arms trade and curbing weapon exports.

In Mongolia, he is expected to announce 15 million dollars in emergency grants, and express support for the democratic and economic reforms underway.

LDP Secretary General Obuchi To Visit PRC

OW0908121891 Tokyo KYODO in English 1130 GMT 9 Aug 91

[Text] Tokyo, Aug. 9 (KYODO)—Keizo Obuchi, secretary general of the ruling Liberal Democratic Party, will visit China August 17- 18 for talks with Chinese Communist Party General Secretary Jiang Zemin and other Chinese leaders, party officials said Friday.

Obuchi will visit China at the invitation of the Chinese party and will be the first LDP secretary general since then-LDP Secretary General Noboru Takeshita visited the country in January 1987.

In his meeting with Jiang, Obuchi will seek understanding from China over Japan's planned participation in U.N. peacekeeping operations, the officials said.

Obuchi will also discuss youth exchange programs between the Japanese and Chinese parties, they said.

UN Recommendation on Korean Membership Welcomed

OW0908003791 Tokyo KYODO in English 0018 GMT 9 Aug 91

[Text] Tokyo, Aug. 9 KYODO—The Japanese Government welcomed a United Nations Security Council recommendation that the General Assembly grant North and South Korea membership of the world body, the Foreign Ministry said in a statement Friday.

The statement said Japan hopes that simultaneous membership by North and South Korea takes place and it will ease tensions on the Korean peninsula and contribute to peace and stability in the region.

It said the council's resolution would help diplomatic negotiations between Japan and North Korea, which it said also would be helped by the resumption of prime ministers' talks between two Koreas expected late this month.

The talks have been stalled since February when North Korea called off negotiations to protest joint U.S.-South Korean military maneuvers.

Government To Recognize New Ethiopian Regime

OW0908023091 Tokyo KYODO in English 0147 GMT 9 Aug 91

[Text] Tokyo, Aug. 9 KYODO—Japan is recognizing the new government in Ethiopia, government officials said.

Foreign Minister Taro Nakayama told Friday's cabinet meeting that he had instructed Japanese Ambassador to Ethiopia Hisakazu Takase to inform the new Ethiopian leaders that Japan wants to cooperate in developing bilateral relations.

Former President Haile-Mariam Mengistu fled to Zimbabwe in May as his government collapsed after military advances by rebel forces.

The new government, still transitional, is led by President Meles Zenawi.

Revelations on Securities Scandal Continue

17 Firms Compensate Clients

OW0908114091 Tokyo KYODO in English 1030 GMT 9 Aug 91

[Text] Tokyo, Aug. 9 (KYODO)—Seventeen Japanese securities houses compensated favored clients for investment losses by various means ranging from the rapid repurchase of government bonds to straight cash rebates, a securities industry group said in a report published Friday.

The Japan Securities Dealers Association report said a common method was to repeatedly sell and purchase government bonds in short periods of time at prices favorable to clients.

In a typical example, an unnamed brokerage sold, then bought back, 15 billion yen worth of government bonds in one day to produce an 86 million yen profit for a corporate client.

Although the sales-purchase price differential was narrow, the massive size of the transactions produced a large profit.

The report said another method used was to transfer unlisted securities or foreign currency-denominated warrant bonds to clients at low prices and repurchase them at inflated prices.

While listed securities must trade within a certain range of market prices under the rules of the industry association, there is no such restriction on the trading of unlisted securities.

In some cases, securities were sold to clients at market prices and repurchased at inflated prices within a short period of time, the report said.

The brokerages used similar methods with foreign currency-denominated warrant bonds, it said.

In one case reported by the Finance Ministry, a brokerage sold four issues of foreign currency-denominated warrant bonds at 1.5 billion yen and bought them back at 1.9 billion yen the same day.

The industry association said Nomura Securities Co. often used warrant bonds to compensate its clients.

The brokerages also sometimes made massive allotments of newly issued convertible bonds to clients, quickly buying them back at high prices.

As with government bonds, the price differential for the newly issued convertible bonds was narrow, but large trading volumes ensured a substantial profit to clients.

Straight cash transfers were also used to compensate clients for the cancellation of money trust contracts calling for investment of the clients' funds at the discretion of the brokerages, the report said.

Such rebates, totaling 4 billion yen for the 17 companies, were written off as sales and general operating costs by some brokerages and as nonoperating expenses by others, it added.

Further on Report

OW0908055591 Tokyo KYODO in English 0459 GMT 9 Aug 91

[Text] Tokyo, Aug. 9 KYODO—Some 93 percent of all reimbursements of losses to select clients by brokerages were made through sales and purchases of bonds and warrants, according to a report released Friday by the Japan Securities Dealers Association.

The association submitted to the Liberal Democratic Party the report summarizing the way in which Japan's 17 securities houses compensated their clients for investment losses.

According to the report, the "big four" and 13 smaller brokerages paid a total 172.01 billion yen to 608 corporate clients and nine individuals.

Rebates made through sales and purchases of such instruments as bonds and warrants, accounted for 160.33 billion yen of the total.

Reimbursements recorded as part of the firms' sales and general administration (SGA) costs and nonoperating costs accounted for 7,579 million yen, the report said.

Compensation for losses in the form of allotment of newly issued securities accounted for 4,096 million yen.

The brokerages made some of the compensation payments by selling government bonds and other debt at low prices to clients and buying them back at high prices within a short period of time, it said.

Another method used was the transfer of bonds of unlisted firms or foreign currency-denominated warrant bonds to clients at very low prices, which were repurchased at inflated prices.

Some rebates were made through huge allotments of such instruments as newly issued convertible bonds, which are virtually guaranteed to rise, while others were given in the form of straight cash.

Yamaichi Securities Co. made more compensation payments in the form of bond and warrant transactions than any of its competitors. Rebates in this form by the nation's fourth-largest brokerage totaled 45,621 million yen.

Nikko Securities Co. and Nomura Securities Co. gave rebates totaling 27,475 million yen and 23,744 million, respectively, through bond transactions.

Daiwa Securities Co. made reimbursements through this method totaling 20,719 million yen.

Nikko made more compensation payments through huge allocations of newly issued convertible bonds than any other firm, almost double the amount granted by Daiwa, the runner-up in this method.

Nikko's reimbursements through such allocations totaled 2,444 million yen.

4 Companies Admit Compensation

OW0908131891 Tokyo KYODO in English 1141 GMT 9 Aug 91

[Text] Tokyo, Aug. 9 (KYODO)—Four relatively small securities companies have joined 17 larger Japanese

brokerages in admitting compensating favored clients for investment losses, a high-ranking Finance Ministry official said Friday.

The official, who asked to remain anonymous, refused to identify the companies but said their reimbursements totaled less than 1 billion yen.

The ministry will not ask the companies to name the clients they compensated, since the amount involved was small, the official said.

The four companies are expected to submit revised financial reports, incorporating the compensation, to regional financial bureaus of the ministry.

MITI Orders Funds Control

OW0908133791 Tokyo KYODO in English 1138 GMT 9 Aug 91

[Text] Tokyo, Aug. 9 (KYODO)—The Ministry of International Trade and Industry (MITI) directed Japan's four major business organizations Friday to work on enhancing control over management of funds by private corporations, ministry officials said.

According to an urgent survey conducted by the ministry on 169 companies who were compensated by brokerage houses for losses in securities transactions, about half said they were holding in-house investigations on the payouts.

This led the ministry to believe companies do not have a clear picture of how their funds are being managed, the officials said, and building up a fund control system is essential for prevention of another scandal.

About 30 percent of the companies admitted they were reimbursed for their losses, according to the MITI survey.

The four business groups are the Federation of Economic Organizations (Keidanren), the Japan Chamber of Commerce and Industry, Japan Federation of Employers' Association (Nikkeiren), and Japan Association of Corporate Executives (Keizaidoyukai).

Meanwhile, on the proposed creation of a Japanese version of the U.S. Securities and Exchange Commission (SEC), MITI Minister Eiichi Nakao said earlier Friday the "difference" between regulations in the two countries must be taken into account.

Diet Questions LDP Relations

OW0908103591 Tokyo KYODO in English 0918 GMT 9 Aug 91

[Text] Tokyo, Aug. 9 (KYODO)—Opposition members, in a Diet questioning Friday, blasted cosy relations between the Liberal Democratic Party [LDP] and business.

Charging the relationship is behind a string of financial scandals in Japan, Social Democratic Party [SDP] member Junji Ichii told a House of Councillors plenary session the LDP Government has closed its eyes to collusion between the party and business and done nothing to rectify the situation.

Government leniency toward business is directly behind the string of financial scandals which have swept the country in recent weeks, he suggested.

Ichii said, "The nation's corrupt political structure has not been altered even after the recruit bribery scandal spotlighted the structure, in which business firms try to curry politicians' influence with money, while politicians scramble to accept money from such firms."

In reply, Prime Minister Toshiki Kaifu said the government has made substantial efforts to hammer out a fairer political structure by such measures as its recent proposals to create 300 single-seat constituencies in general elections for the House of Representatives.

Kaifu said the proposal would bring about fairer elections which, he said, would shift the focus of campaign debate from personal ties and pork-barrel projects to policies, while reducing politicians' spending on special favors to attract voters.

Earlier in the day at the upper house plenary session, Japanese Communist Party Diet member Shoichi Ichikawa said securities firms' donations of 3,529 million yen to the LDP over the past 10 years has made the government reluctant to clamp down on brokerages' practices.

"The securities industry is one of the three biggest donors of political contributions to the LDP, along with the banking industry and steel industry," Ichikawa said.

Kaifu brushed the accusation aside, saying, "the securities industry's political donations to (our) party's politicians is not the concern of the government, as long as such donations do not contravene laws."

He did not apparently respond to another demand by Ichikawa for the prime minister to explain his links with a Tokyo-based educational institution, Kaetsu Gakuen, identified as one of the corporate recipients of compensation payments in the list unveiled by Yamaichi Securities Co.

Yamaichi is one of the "Big Four" brokerage houses now under public fire for compensating 608 major corporate clients and influential individuals with compensation payouts.

The Yamaichi list of favored clients included Kaetsu Gakuen—based in Tokyo's Chiyoda Ward—which Yamaichi compensated for stock losses of about 320 million yen. Kaifu served for four years as one of the institution's board members.

Kaifu's aides have earlier told reporters he only registered his name as a board director of Kaetsu Gakuen

from June 1985 until August 1989, and that he was not aware of any loss reimbursement deals.

A Yamaichi official told KYODO news service, "We were aware that Kaifu was serving as the board director of Kaestu Gakuen, but it has nothing to do with (our) loss-coverings."

Ichikawa also referred to recent press reports a company headed until May by one of sons of top LDP power broker Shin Kanemaru appeared on the list of compensated companies.

He said LDP politicians should cut their links with the finance industry, adding that former Nomura Securities Co. Chairman Setsuya Tabuchi is a central figure in business leaders' groups supporting former Prime Ministers Noboru Takeshita and Yasuhiro Nakasone.

The 61-day Diet extraordinary session, which opened Monday, will go into an eight-day summer recess Saturday. Diet business will resume August 19.

LDP Drafts Interim Report

OW0908045691 Tokyo KYODO in English 0430 GMT 9 Aug 91

[Text] Tokyo, Aug. 9 KYODO—The ruling Liberal Democratic Party [LDP], seeking ways to prevent securities scandals, has drafted an interim report proposing decontrolling commissions on large-lot stock trading, party officials said Friday.

They said the report also calls for strengthening the regulatory functions of the Japan Securities Dealers Association and the Tokyo Stock Exchange (TSE).

According to the report, the current loss-compensation scandal involving brokerage houses has raised dissatisfaction among individual investors and deepened distrust overseas of the Japanese market, the officials said.

The report proposes liberalizing fees on large-lot stock trading, which now are pegged at a fixed rate, as a means of preventing a rcurrence of securities scandals, they said.

Japanese securities firms, including the "big four" brokerages, have admitted they paid more than 100 billion yen to favored clients to compensate them for losses in stock and bond trading.

The report urged organizations such as the Japan Securities Dealers Association and the TSE to develop an industry code of ethics and to strengthen their disciplinary organs to tighten self- regulation, the officials said.

They said the report did not respond to calls for the creation of an independent watchdog body modeled on the U.S. Securities and Exchange Commission, pending studies on the issue by the government- appointed Ad Hoc Commission on Administrative Reform. The report was adopted at a joint session of the LDP's research committees on fiscal, financial, and securities problems Friday.

The committees plan to finalize a report by mid-September after reviewing self-regulation measures to be implemented by the association and the TSE later this month, the officials said.

Economic Paper Urges International Contribution

OW0908014791 Tokyo KYODO in English 0043 GMT 9 Aug 91

[Text] Tokyo, Aug. 9 KYODO—No immediate constraint seems likely on Japan's long-lasting economic expansion and there are good prospects of the nation making greater contributions to the world economy, the Economic Planning Agency (EPA) said Friday.

Sounding an optimistic note about the outlook for the Japanese economy, the agency's Annual White Paper on the Economy for Fiscal 1991 stressed the importance for Japan to play a positive role to support and promote the free trade system.

"Japan should take leadership in the maintenance and development of international common property, namely various kinds of institutions or frameworks (such as the General Agreement on Tariffs and Trade (GATT) and the International Monetary Fund (IMF))," it said.

Since Japan has benefited from active world trade, it should in return contribute toward overcoming challenges facing the freetrade system, and especially take an initiative to bring to a successful conclusion the ongoing Uruguay Round of Multilateral Trade Talks under the GATT, the paper said.

The 401-page paper also said that regardless of the size of its current account surplus, Japan should continue to steadily improve the government's Official Development Assistance (ODA) according to its economic ability.

Moreover, the paper noted, there are various fields in which Japan can play an important role, such as securing a stable world monetary system, resolving global environmental problems, and deepening mutual understanding among nations.

Titled "Conditions for Long-run Expansion and Japan's International Role," the White Paper said Japan's economy is shifting into a sustainable moderate expansion phase. The recent economic slowdown will not immediately lead to a recession, it said.

The nation's current stretch of economic growth, which started in December 1986, will catch up with the postwar record of 57 months marked between October 1965 and July 1970 if it lasts this month.

The current economic expansion may continue "for the time being" as final demand as a whole grows at "a cruising speed"—a level of growth that will not rekindle inflation, the paper said.

Japan's Gross National Product (GNP) posted a relatively high 5.7 percent growth in Fiscal 1990, despite adverse economic factors overseas, such as the reunification of Germany, stalling economic reforms in the Soviet Union and East European nations, and the Persian Gulf crisis, the paper said.

In addition to robust domestic demand, features of the nation's economic expansion included a rapid increase of employment, stable wages and prices, and a marked decline in the current account surplus, it said.

The paper analyzed the effects on the economic expansion of such things as inventory cycles, fluctuations in prices of assets like stocks and land, and the labor shortage.

In the past, there were cases where inventory cycles amplified impacts on final demand. Recently, however, the economy is less susceptible to inventory cycles, the paper said.

Also, thanks to advanced inventory control methods, the overall inventory level has fallen and should have little impact on economic growth, it said.

Turning to the stock market, the paper said violent fluctuations in stock prices, which were possibly due to excessive hopes for higher prices or the so-called "bubble economy" phenomenon, seemed to have some effect on consumer spending and corporate capital outlays.

The official discount rate cut of 0.5 percentage point to 5.5 percent a year in July, however, is expected to have a favorable effect on investment in plants and equipment, and recent declines in demand in some sectors such as housing construction and consumer spending will not constitute additional dampening factors, it said.

Because wild fluctuations in land prices proved in the end to have little influence on the economy, and as the leveling off of land prices seems to have positive effects on the economy as a whole, the paper said that comprehensive measures should be taken to correct the level of land prices, which have been far above the theoretically "real" value.

Although the labor market has tightened, wage increases remained rather small as a result of corporate efforts to shorten working hours and to save labor, the paper said.

Consequently, the labor shortage did not act as a brake on the economic expansion, it said.

Referring to a possibile decline in the labor force and savings rate due to the aging of the population, and energy and environmental restrictions, the paper stressed the importance of taking various measures to offset the adverse effect of this, such as utilization of potential manpower, including women and the aged, ensuring a high return rate on investment, and saving of energy.

There is no reason for pessimism even if the overall GNP growth slows down due to declining population growth in the long run, because what really matters is the growth of the per capita GNP, the paper said.

White Paper Summarized

OW0908021691 Tokyo KYODO in English 0054 GMT 9 Aug 91

[Text] Tokyo, Aug. 9 KYODO—Following is a summary of the 1991 economic report released Friday by the Economic Planning Agency:

1. Present State of Japanese Economy and Business Cycle

During Fiscal 1990, despite turmoil in the world economy, Japan achieved a relatively high economic growth rate of 5.7 percent. Even the temporary hike in oil prices due to the Persian Gulf crisis did not affect Japan's economy thanks to the strength of the yen.

The International Monetary Fund (IMF) estimates the average economic growth rate of industrial nations will decelerate further to 1.3 percent in 1991 from 2.5 percent in 1990 and 3.3 percent in 1989. In Japan, however, robust domestic demand may help the current economic expansion continue, though at a slower speed.

2. Fluctuation of Asset Prices and Business Cycle

Sharp rises in land prices proved not to have influenced consumer spending, or rather the recent downtrend may have positive effects on housing construction as a whole. Rapid ups and downs of stock prices had some effect on consumption and capital spending.

A credit crunch such as seen in the United States is unlikely to happen in Japan. However, sound banking systems and proper risk control become more important as financial liberalization proceeds.

Comprehensive land policies are required to resolve problems arising out of a jump in land prices. It is also advisable to enrich land-use plans, to create a land-assets market with active transactions using land trusts and land-based securities, and to provide more information on the evaluation of land.

3. Sustained Expansion and Supply Constraints

The labor market has tightened because of strong demand and a mismatch between labor supply and demand. Wages remained stable, however, as a result of corporate efforts to cut working hours and to save labor.

A decline in the birthrate might limit manpower in the future. It is necessary to provide better working environments for capable people with the will to work.

A possible decline in the savings rate because of aging may not necessarily check investment. However, it is essential to secure a high rate of return on investment by improving overall economic efficiency and enhancing technological innovations.

4. Japan's Current Account Surplus and Her International Role

After expanding from 1981 through 1987, Japan's current account surplus has rapidly decreased and accounted for 1.1 percent of the nation's nominal GNP in Fiscal 1990.

Among factors contributing to the drop were declining international competitiveness of exports and comparatively cheaper imports due to the yen's appreciation, and a fall in domestic supply capacity because of a rapid increase in domestic demand.

There were also some structural factors, such as rising dependency on imports, export industries' shifts to domestic sales, growing international production-sharing, and political measures to boost imports.

To cope with emerging global demand for funds, it is important for countries worldwide, including the United States and those with external deficits, to encourage savings.

While giving proper official development assistance regardless of its current account surplus, Japan should take positive leadership to support and promote world free trade systems.

SDP's Tanabe Discusses UN Participation

OW0908122591 Tokyo KYODO in English 1022 GMT 9 Aug 91

[Text] Tokyo, Aug. 9 (KYODO)—Social Democratic Party (SDP) chairman Makoto Tanabe said Friday the SDP is ready to consult with the ruling Liberal Democratic Party (LDP) and two opposition parties on ways Japan can contribute to United Nations peacekeeping operations if an existing accord on the issue is scrapped.

"The SDP wants the LDP, Komeito and the Democratic Socialist Party (DSP) to restore the political situation existing before the agreement reached among them in connection with the U.N. peacekeeping forces, so that the SDP can consider consultations with them on the issue," the top opposition party leader said.

The LDP, and Japan's second and fourth largest opposition parties—Komeito and the DSP—agreed last November to form a peace corps, which would be separate from the Self-defense Forces (SDF), to assist in U.N. peacekeeping operations.

Tanabe, who inherited the SDP chairmanship from Takako Doi on July 31, made the remark at a press conference with about 100 reporters at the Japan National Press Club in Tokyo.

He said, "the gap between the government and the LDP on the one hand and Komeito on the other in connection with the U.N. peacekeeping forces and the SDF has widened in the nine months since the accord."

The current government position is to allow Japan's military to fully participate in U.N. peacekeeping forces in securing ceasefires and supervising truces.

Komeito has expressed reservations on the government's plan to allow SDF personnel to participate in U.N. peacekeeping forces.

Tanabe said Japan should consider its contribution to the U.N. peacekeeping forces in the context of what Tokyo can do after the end of the 12-year-old Cambodian conflict.

On other matters, Tanabe said the Diet has no time to deliberate the introduction of a single-seat constituency along with a proportional representation system as its extraordinary Diet session is due to expire in early October.

Tanabe also said the SDP does not intend to agree to the extension of the current 61-day extraordinary Diet session.

But he said that the SDP considers that parliament must deliberate political ethics and political fund control bills, which are part of the country's political reform.

Commenting on the scandal over the compensation by securities firms for trading losses of their favored clients, Tanabe reiterated SDP demands that the government set up an independent watchdog organization to oversee the brokerage business.

"The setting up of an independent supervisory organization is of the highest priority for deliberation in parliament by the ruling and opposition parties," Tanabe said.

Tanabe also referred to the day-to-day political style of the SDP, saying party members must open the party's "closed door" and widen their contacts with the Japanese people.

This is the only way for the SDP to seize power from the LDP, Tanabe said.

Peacekeeping Corps Might Use Armored Vehicles

OW0808181491 Tokyo KYODO in English 1409 GMT 8 Aug 91

[Text] Tokyo, Aug. 8 KYODO—A new Japanese corps, which would be organized to contribute tc U.N. peacekeeping operations, might use armored vehicles to defend its members, a senior Defense Agency official said Thursday.

Shigeru Hatakeyama, director general of the agency's Defense Policy Bureau, made the remarks during a briefing with Diet members of the centrist opposition

party, Komeito, on the government's draft of a bill aimed at creating the special corps with the Self-Defense Forces (SDF) at its center.

The government unveiled the draft last week which stipulates that the corps would be created to cooperate in U.N. peacekeeping operations, including participation in a U.N. force to separate opposing troops, monitor ceasefires, supervise elections, and assist in medical care.

The draft also said the corps members would carry the minimum weaponry for self-defense but stopped short of specifying what type.

Hatakeyama told the meeting that the Japanese corps might use armored vehicles to defend its members although it would not use tanks.

The ruling Liberal Democratic Party, Komeito, and the Democratic Socialist Party agreed last November to jointly submit a bill after an earlier proposal that would have allowed the SDF to serve in conflicts, such as the Persian Gulf war, was rejected during fiery Diet debate last fall.

The government plans to submit the draft to the extraordinary Diet session which started Monday.

Interest in Algerian Oil Development Expressed

OW0908012491 Tokyo KYODO in English 0023 GMT 9 Aug 91

[Text] Tokyo, Aug. 9 KYODO—Japanese business leaders have given a "very interested" response to Algeria's proposal to have foreign companies help develop its oil reserves, Algerian Economics Minister Hocine Benissad says.

Algeria will begin formal negotiations with Japanese, American, and European oil companies in September, Benissad said in an interview with KYODO NEWS SERVICE at the close of his August 4-9 visit to Japan.

"What we want to do is to let foreign firms participate in field exploitation, because these firms have the financial means and they have also the necessary technology," he said.

Algeria wants to open its oil recovery market wider because, given the technology it now has, Algeria only has the capability to extract oil from 20 percent of its known reserves, he said.

By introducing foreign firms with financial wherewithal and sophisticated technology unavailable in Algeria, the country could exploit up to 40-50 percent of its reserves, Benissad said.

Benissad suggested that participating companies could receive either profits from oil sales or a share of the oil production.

"Anyway, this has to be discussed with Japanese firms, with American firms, with European firms, etc.," he said. "We can't say there is a rigid framework."

He said that by applying Algeria's new energy policy, which aims in part at boosting exploitation of the country's petroleum reserves, Algeria will become better able to service its 25 billion dollar external debt.

Benissad said that while the overall debt burden is manageable, as it represents only two years worth of exports, the fact that it is composed largely of short-term credits means that the Algeria's debt-service ratio over the next couple of years will be painfully high.

Algeria owes its creditors 9 billion dollars in the current year and 8 billion dollars next year. After that, however, the debt- service ratio should begin falling because of a new gas export agreement being implemented in 1993.

In talks Tuesday with Japanese Foreign Minister Taro Nakayama, Benissad said Algeria urgently needs funds to service its debt because of its current economic and political crisis, officials said.

Nakayama promised that Japan would support Algeria's economic and political reforms.

Benissad said the Algerian delegation he led to Japan, which included Energy Minister Nordine Ait-Laoussine, "did not present to the Japanese Government specific demands."

Rather, he said, they reviewed the status of a project to collect from Japanese, European, Arab, and American commercial banks 1 billion dollars in credits.

Benissad said Japanese banks told him during his visit they would participate in a syndicate scheme led by the French bank, Credit Lyonnais.

He said he also talked with Japanese government officials concerning two loans to be cofinanced by the Export-Import Bank of Japan and the World Bank. "With these operations...I think the resource gap would be filled," he said.

Finance Minister Rules Out Interest Rate Cut

OW0908035491 Tokyo KYODO in English 0301 GMT 9 Aug 91

[Text] Tokyo, Aug. 9 KYODO—Finance Minister Ryutaro Hashimoto indicated Friday that Japan will not follow the United States in lowering interest rates.

"Japan's (economic) situation does not warrant a change in the monetary policy," Hashimoto told a news conference after a cabinet meeting Friday.

The U.S. Federal Reserve Board on Tuesday lowered the Federal Funds Rate at which commercial banks lend money to each other from 5.75 percent to 5.5 percent, in a move to stimulate the domestic economy.

Turning to the securities industry scandal, Hashimoto said the Finance Ministry hopes to complete work on a draft revision of the Securities and Exchange Law by August 19 for presentation to the Diet for approval.

The ministry has been working out a revised law to prevent a recurrence of the sweeping financial scandal, triggered by disclosures that the nation's brokerages have reimbursed billions of yen to favored clients who lost money on stock and securities transactions.

Hashimoto discounted the possibility that Japan would liberalize commission fees on stock trading, but said the ministry would not turn down an application by the Tokyo Stock Exchange for a cut in fees.

Space Agency Completes Launch Rehearsal

OW0808183891 Tokyo NHK General Television Network in Japanese 1000 GMT 8 Aug 91

[Text] A rehearsal for the launch of broadcast satellite BS-3B went well today at the National Space Development Agency's Tanegashima Space Center Kagoshima Prefecture. The original rehearsal was canceled on 1 August because of rocket problems.

At the launch site, where the first and second stages of the rocket for the BS-3B were already assembled, doors on the maintenance tower were opened, and liquid hydrogen and liquid oxygen were poured into the tanks. Next, thorough checks for fuel leaks and other contingencies were made. In the control room, countdown started at 0530 for launch at 1300. Staffs completed all checks and examinations on time, and today's rehearsal was completed smoothly as scheduled.

The BS-3B will support the existing Yuri-3A satellite; it will also be used for developing high definition broadcasts. The new satellite will be launched from the space center on the evening of 22 August, six days later than originally scheduled, from the Tanegashima Space Center.

Incidentally, it has been decided that NHK will resume 24-hour broadcasts on satellite Channel Eleven by using Yuri-3A. There will be no change in the numbering of NHK stellite channels. This means that the two channels will remain Channel Seven and Channel Eleven.

Sony Develops Industry's Flattest TV Screen

OW0808170591 Tokyo KYODO in English 0812 GMT 8 Aug 91

[Text] Tokyo, Aug. 8 (KYODO)—Sony Corp. said Thursday it has developed television sets using the industry's flattest screens, which it plans to begin selling within the year.

The firm said its super trinitron cathode ray tube (CRT), which has the flattest screen in the industry, offers high picture resolution, improved color reproduction, and high luminance.

Sony plans to introduce 29-inch and 34-inch TV sets using the super trinitron CRT this year.

Consumer electronics makers, competing to produce flat-screened TV sets, have been unable to remove blurring on the four corners of the screens.

But Sony claims to have made screens offering greater clarity in all corners using the firm's original technology.

North Korea

KPA Side to MAC Document Distributed to UN

SK0908035691 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 8 Aug 91

[Text] The official bulletin [kongbo] of the Korean People's Army [KPA] and the Chinese People's Volunteers side to the Military Armistice Commission [MAC] of Korea dated 26 July was distributed on 2 August as the UN Security Council's official document S-22839. The bulletin revealed in detail the fact that the UN Command side has paralyzed the MAC's major function of supervising and inspecting the implementation of the Korean Armistice Agreement and made the raison d'etre of the Neutral Nations Supervisory Commission [NNSC] useless and that it is committing maneuvers to provoke a new war on the Korean peninsula.

The bulletin indicated first that the U.S. side appointed a general officer from the South Korean Army as senior member of the UN Command Side to the MAC on 25 March, disregarding the Military Armistice Agreement and the precedents in which a U.S. Army general officer has been appointed senior member of the UN Command side to the MAC for the 37 years with the total number of 56 U.S. Army general officers as senior members thus far and that this is a flagrant violation of the Armistice Agreement and an insult to the other side of the armistice.

The bulletin indicated that the South Korean Army was not a signatory of the Armistice Agreement, nor did it belong to the UN Forces and that, therefore, it has no justification to represent one side of the MAC.

The bulletin revealed that the U.S. appointment of a South Korean Army general officer as senior member of the UN Command side to the MAC was designed to shirk legal responsibility in replacing the Armistice Agreement with a peace agreement, to upgrade South Korea's position at any cost, and, thus, to gain political benefits.

The bulletin then noted that the UN Command side has deliberately hindered the activities of the NNSC ever since its birth and that today it has gone so far as to obliterate the NNSC's raison d'etre, even its symbolic raison d'etre.

The bulletin revealed that on 31 July 1953, four days after the Armistice Agreement was signed, the UN

Command side introduced 106 4.2 inch-caliber mortars into South Korea in violation of Paragraph 13D of the Armistice Agreement which bans the introduction into Korea of reinforcing military equipment. It revealed that during the period right after the cease-fire till 15 April 1954 alone the UN Command side introduced 177 operational airplanes, 465 various types of howitzers, 6,400 rocket launchers, 145 mortars, 1,365 machine guns, and millions of rounds of ammunition of various types and that these were detected by NNSC inspection teams as they were being introduced into Korea.

The bulletin indicated that as its acts of violating the Armistice Agreement were continuously detected and revealed by NNSC inspection teams the UN Command side began to hinder the NNSC inspection teams' supervision and inspection activities by every means. The bulletin indicated that, far from respecting the demands of Paragraph 13G of the Armistice Agreement on affording assistance and cooperation to the activities of NNSC inspection teams and fully providing for their freedom of movement, in August 1955 the UN Command side not only inspired the South Korean side to wage threatening demonstrations calling for the withdrawal of NNSC inspection teams, but also perpetrated the violent act of attacking and destroying the quarters of NNSC inspection teams at the ports of Pusan, Inchon, Taegu, and Kunsan.

The bulletin indicated that in June 1956 the UN Command side, which had continued opposing NNSC inspection teams, forcibly expelled NNSC inspection teams from South Korea and that in June 1957 it went so far as to declare the unilateral abolishment of Paragraph 13D of the Armistice Agreement. The bulletin indicated that since then the UN Command side has introduced into South Korea nuclear weapons of various types and the means of their delivery without limitation and, thus, has turned South Korea into a nuclear base, the largest in the Far East. The bulletin then revealed that the number of the nuclear weapons illegally introduced into South Korea is as many as 1,000 and the total explosive power is 13,000 kilotons.

The bulletin noted that while systematically destroying the function and role of the NNSC the UN Command side has paralyzed the major function of the MAC by appointing as senior member a South Korean Army general officer, who has no qualification and no prerogative, and has gone so far as to obliterate the work of the NNSC. The bulletin indicated that, as a result of this, since last May, the NNSC is faced with the situation where it has become impossible for it to hold briefings on (?state) of military personnel and on replacement of operational materials which used to be held once a week, and, thus, it has lost its raison d'etre and value which affords even symbolic assistance to the implementation of the Armistice Agreement.

In conclusion, the bulletin pointed to the fact that the UN Command side has committed provocations against us on the ground and by sea and in the sky in flagrant violation of Paragraph 6 and 15 of the Armistice Agreement and, in particular, indicated the fact that the UN Command side has aggravate the situation on the Korean Peninsula by staging the provocative "Team Spirit-91" joint military exercise.

Military Armistice Commission Termed 'Paralysed'

SK0908055891 Pyongyang KCNA in English 0454 GMT 9 Aug 91

["Information of KPA-CPV, Korean People's Army-Chinese People's Volunteers, Side to Korean Military Armistice Commission Distributed as Official Document of U.N. Security Council"—KCNA headline]

[Text] Pyongyang August 9 (KCNA)—The July 26 information of the side of the Korean People's Army (KPA) and the Chinese People's Volunteers (CPV) to the Korean Military Armistice Commission (MAC) was distributed on August 2 as official Document S-22839 of the United Nations Security Council.

The information says:

The "U.N. forces" side has paralysed the major functions of the Military Armistice Commission to supervise and observe the implementation of the Korean armistice agreement and reduced the Neutral Nations Supervisory Commission (NNSC) to a mere name and perpetrated provocations for a new war on the Korean peninsula.

The U.S. side, which had appointed U.S. generals senior member of the "U.N. forces" side to the MAC in 37 years, appointed a South Korean Army "general" the 57th senior member of the "U.N. forces" side on March 25, 1991, ignoring the armistice agreement and the usage. This is a wanton violation of the armistice agreement and an insult to the opposing side.

The South Korean Army is neither a signatory to the armistice agreement nor did it belong to the "U.N. forces" and, accordingly, has no qualification to represent one side of the MAC.

By appointing the South Korean Army "general" senior member of the "U.N. forces" side to the MAC, the United States sought to avoid its legal obligation to replace the armistice agreement by a peace agreement and gain some political profit by raising the status of South Korea at whatever cost.

The information points out that the "U.N. forces" side obstructed in a planned way the activities of the Neutral Nations Supervisory Commission from the first days of its operation and now totally deprived it even of its symbolic value.

The "U.N. forces" side introduced 106 pieces of 4.2 inch mortars on July 31, 1953, four days after the signing of the armistice agreement, in violation of subparagraph 13d of the armistice agreement on ceasing the introduction into Korea of reinforcing military equipment. In the period from the time of ceasefire to April 15, 1954, the

"U.N. forces" side was detected by neutral nations inspection teams while introducing 177 combat aircraft, 465 howitzers of different calibres, 6,400 rocket launchers, 145 mortars, 1,365 machineguns and millions of rounds of ammunition.

With its violations of the armistice agreement detected and exposed by the neutral nations inspection teams, the "U.N. forces" side began to obstruct in every way their supervising and inspecting activities.

Far from respecting the demand of subparagraph 13g of the armistice agreement for affording "all possible assistance and cooperation" and ensuring "necessary freedom and conveniences" to the neutral nations inspection teams, the "U.N. forces" side instigated the South Korean side to stage a threatening demonstration demanding their withdrawal in August 1955 and raided and destroyed the lodging sites of the neutral nations inspection teams at such ports of entry as Pusan, Inchon, Taegu and Kunsan.

After a campaign against the neutral nations inspection teams, the "U.N. forces" side forcibly expelled them from South Korea in June 1956 and unilaterally declared the renunciation of subparagraph 13d of the armistice agreement in June 1957.

From then on, the "U.N. forces" side introduced into South Korea various types of nuclear weapons and their vehicles without restriction; thus turning that part of Korea into the biggest nuclear base in the Far East. The nuclear weapons illegally introduced into South Korea number more than 1,000 and the total explosive power is 13,000 kilotons.

Having systematically destroyed the functions and role of the Neutral Nations Supervisory Commission, the "U.N. forces" side appointed a South Korean Army "general" with no qualification and authority its senior member so as to paralyse the major functions of the military armistice agreement and deprived the NNSC of the object of its work.

As a result, the NNSC has since May this year failed to meet once a week and discuss the periodic reports on the circulation of military personnel and the replacement of combat equipment, and it has now lost even its symbolic value which is not helpful to the implementation of the armistice agreement.

The "U.N. forces" side is perpetrating provocation against the DPRK on the ground and the waters and in the skies in wanton violation of paragraphs 6 and 15. Especially, its provocative joint military maneuvers "Team Spirit 91" aggravated the situation on the Korean peninsula.

March Route From Mt. Paektu to Hyesan Reviewed

SK0908045591 Pyongyang KCNA in English
0421 GMT 9 Aug 91

[Text] Hyesan August 9 (KCNA)—The grand Mt. Paektu-Mt. Halla march squad for the acceleration of national reunification which started from Mt. Paektu, the ancestral mountain of Korea, with a due ceremony on the morning of August 7 arrived in Hyesan, the seat of Yanggang Province, the following day through Samjiyon.

When the marchers and Pak Song-hui, delegate of the South Korean National Council of Student Representatives (Chondaehyop), entered Samjiyon, a large crowd of working people, school youth and children warmly welcomed them, singing "Korea Is One" and shouting "National reunification" in chorus.

After leaving Samjiyon, the march squad passed through Pochonbo, a revolutionary battle site, where it was also accorded warm welcome.

It arrived in Hyesan on August 8. A large number of working people, youth and students warmly welcomed the marchers along the streets and from the verandahs and windows of apartment houses.

The marchers held a meeting for vowing to achieve reunification at Kim Chong-suk University of Education here in the afternoon.

Speakers at the meeting said that though the grand marches of 1988, 1989 and 1990 were held in check at Panmunjom by the maneuvers of the U.S. imperialists and the South Korean authorities, the grand Mt. Paektu-Mt. Halla march of 1991 would be made successfully on all accounts.

The marchers are leaving Hyesan today and will reach Hamhung, the seat of South Hamgyong Province, through Kilju County, North Hamgyong Province.

Daily on South's Attempt To Block PNR

SK0908112491 Pyongyang KCNA in English
1015 GMT 9 Aug 91

[Text] Pyongyang August 9 (KCNA)—The No Tae-u authorities' attempts to foil the Pan-national Rally (PNR), a common reunification festival of the nation, are criminal deeds that run counter to the sentiments for national reconciliation, unity and reunification running high among the people in the people in the North, South and abroad, and they can never be tolerated, says MINJU CHOSON in a by-lined article today.

Referring to their vicious attempts to block the PNR against the desire of the fellow countrymen, the article says:

They take exception to the holding of the PNR and resort to undisguised bayonet suppression against those related to it with the allegation that the PNR is being promoted by an "illegal organization" without "representative authority" and that it is "part of activities to conquer the South."

The PNR is a theatre of dialogue for reunification, a grand assembly for national unity, at which people of all

walks of life from the North, South and abroad will get together to discuss the question of peace and reunification of the country. The rally is by no means intended to support one side and isolate the other or to oppose the system of any one side.

Nevertheless, the No Tae-u authorities are blocking the preparations for the rally in every step, declaring that they will not allow it in Seoul.

Their proposal for a "grand unification march" under their own sponsorship is a deliberate obstructive move prompted by their insidious attempts to foil the PNR.

The South Korean rulers must take a stand of cooperating and joining in the second PNR and grand reunification festivals of students and unconditionally and immediately release those detained for involvement in the reunification festivals and stop their fascist crackdown on the pro-reunification democratic forces.

KCNA Reports South Korean Defects to North

SK0908111091 Pyongyang KCNA in English
1022 GMT 9 Aug 91

[Text] Pyongyang August 9 (KCNA)—Chong Nak-ho, 40, a South Korean who lived in Uijongbu City, Kyonggi Province, defected to the northern half of the country while on a foreign trip.

He was born and attended primary and middle schools in Sungju County, South Cholla Province, before picking up carpentering in Seoul.

He was engaged in architectural technical work abroad from 1979 to 1985 and worked as a carpenter in different sectors until defecting to the North.

Explaining the motive of his defection, he said:

I learned of the realities of the North, listening to radio of the North and reading travel notes on the North written by U.S.-resident Koreans, especially publications carrying articles about Rev. Mun Ik-hwan and woman student Yim Su-kyong who visited the North.

Having known the realities of the North, I felt disillusioned with the corrupt society of South Korea where falsity, deception and money hold sway.

I could no lonoer live in South Korean society full of contradictions. Urged by my desire to live a worthy life even a day in the Northern society where there is no disparity in wealth and all people are equal, I came over to the North while on a foreign trip.

Chairman Lauds Kim Il-song Talk on Reunification

SK0908050591 Pyongyang KCNA in English
0426 GMT 9 Aug 91

[Text] Pyongyang August 9 (KCNA)—The great leader Comrade Kim Il-song's work "Let Us Achieve the Great Unity of Our Nation" is a classical work which newly systematizes and consummates the idea and theory of great national unity on the basis of the chuche idea and a highly important work which powerfully inspires and stimulates our fellow countrymen in the struggle to achieve earlier the reunification in the '90s.

Yun Ki-pok, secretary of the Central Committee of the Workers' Party of Korea and vice-chairman of the Committee for the Peaceful Reunification of the Fatherland [CPRF] and chairman of the North side's headquarters of the Pan-National Alliance for the Country's Reunification (Pomminnyon), said this in a statement issued to the press on August 8.

He said:

Noting that the first and foremost task in accomplishing the cause of national reunification is to achieve the great unity of our nation, the great leader Comrade Kim Il-song in his work gave a new comprehensive exposition of the questions of principle for the whole nation to struggle in harmony and unity.

The great leader made it clear that if the great unity of the nation is to be achieved, contacts and travels should be encouraged among the fellow countrymen in the North, South and overseas and dialogue be actively promoted among them, nationwide solidarity be strengthened in the struggle for national reunification, and all the political parties, bodies, organisations and compatriots of all strata in the North, South and overseas should ally themselves with one another organisationally.

He continued:

In order to strengthen nationwide solidarity for national reunification and check and frustrate machination of the anti-reunification forces to perpetuate national division and their new war provocation moves all the Koreans at home and abroad should wage a vigorous joint struggle of various forms and turn out in the nationwide struggle to get the U.S. troops and nuclear weapons withdrawn from South Korea and make the Korean peninsula a nuclear-free, peace zone.

Pomminnyon should successfully hold the second pan-national rally and the grand August 15 festival for reunification in accordance with the will and desire of the whole nation whatever difficult hardships may crop up, and thus brilliantly adorn the history of the movement of our nation for the reunification.

The Committee for the Peaceful Reunification of the Fatherland and the members of the North side's headquarters of Pomminnyon should wage a dynamic struggle of the whole nation to harmonize and unite into one under the uplifted banner of great national unity so as to actively contribute to hastening the historic cause of national reunification.

Korean Groups in USSR Arrive in Pyongyang

SK0808114991 Pyongyang KCNA in English
1030 GMT 8 Aug 91

[Text] Pyongyang August 8 (KCNA)—A delegation of officials of the Soviet Committee for the Promotion of Korea's Reunification led by Yi Alina, a home-visiting group of Koreans in the Soviet Union led by Kim Mariya, home-visiting groups of Korean students in the Soviet Union respectively led by So Vasillisha and So Tanya arrived here today.

Korean Group in Japan Prepares for Rally

SK0808113091 Pyongyang KCNA in English
1012 GMT 8 Aug 91

[Text] Tokyo August 6 (KNS-KCNA)—Organisations at all levels under the General Association of Korean Residents in Japan (Chongnyon) are making full preparations for the second pan-national rally.

The organisations are giving lectures to people and actively conducting propaganda among compatriots through CHOSON SINBO and other means of propaganda.

Chongnyon organisations are writing congratulatory messages and making silk banners the rally. [sentence as received]

Compatriots are preparing flags bearing the Korean map, inscribing their names on them to show their desire for reunification and Korean women in Kanagawa Prefecture are making Korean maps with flowers.

Kim Il-song Receives Ugandan Delegation

SK0908105991 Pyongyang KCNA in English
1026 GMT 9 Aug 91

[Text] Pyongyang August 9 (KCNA)—The great leader President Kim Il-song today received the visiting delegation of the Ugandan National Resistance Movement led by Erlya Kategaya, national political commissar of the movement and first deputy prime minister of the Republic of Uganda.

Present on the occasion were Kye Ung-tae, member of the Political Bureau and secretary of the Central Committee of the Workers' Party of Korea [WPK], and Kwon Min-chun, vice-director of a department of the WPK Central Committee.

President Kim Il-song had a cordial and friendly talk with the guests.

The head of the delegation conveyed a gift of Ugandan President Yoweri Museveni to President Kim Il-song.

President Kim Il-song arranged a luncheon for the guests.

Libyan Special Envoy Leaves Pyongyang for Home

SK0808120591 Pyongyang KCNA in English
1033 GMT 8 Aug 91

[Text] Pyongyang August 8 (KCNA)—Muhammad Ahmad al-Manqush secretary of the People's Committee for Construction of the Great Artificial River, who is a special envoy of the leader of the great September First Revolution of the Great Socialist People's Libyan Arab Jamahiriyah, left here today for home by train.

The special envoy was seen off at Pyongyang Railway Station by Chong Song-nam, minister of external economic affairs, and 'Abd-al-Hadi Mustafa, acting secretary of the People's Committee of the People's Bureau of Libya in Pyongyang.

Kim Il-song Sends Congratulations to Guyanese

SK0808120891 Pyongyang KCNA in English
1035 GMT 8 Aug 91

[Text] Pyongyang August 8 (KCNA)—Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, on August 7 sent a message of greetings to H. Desmond Hoyte, president of the Cooperative Republic of Guyana, upon his reelection as leader of the People's National Congress of Guyana.

Noting tham his reelection as leader of the People's National Congress of Guyana is an expression of deep trust of the entire party members and Guyanese people in him, Comrade Kim Il-song expressed the conviction that the excellent relations of friendship and cooperation fostered between the two parties and two peoples would further develop in strength in the future, and wished H. Desmond Hoyte greater success in his responsible work to carry into practice decisions of the ninth congress of the People's National Congress of Guyana.

Kim Il-song Sends Message to Singapore President

SK0808114691 Pyongyang KCNA in English
1031 GMT 8 Aug 91

[Text] Pyongyang August 8 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea today sent a message of greetings to President Wee Kim Wee of the Republic of Singapore on the occasion of the national day of the Republic.

In the message President Kim Il-song wishes the president and people of Singapore great successes in the work for the country's prosperity and expresses the conviction that the friendly relations between the two countries will further develop.

Swedish Visitor Describes Living Standard

912C0236A Stockholm DAGENS NYHETER in Swedish 14 May 91 p 9

[Article by DAGENS NYHETER correspondent Goran Leijonhufvud: "No Visible Cracks in the Wall—North Korea Still Unaffected by Changes in East Europe"]

[Text] Pyongyang—At the beginning of the 1970's Pyongyang was a city full of monuments and reasonably well-fed but extremely reserved inhabitants. Today the monuments have proliferated. There is an overpowering collection of grandiose, often futuristic colossal images. But the still reserved inhabitants are not living much better than they did then.

In this country, one of the last strongholds of socialism, the people are provided with a lot of entertainment—parades, mass shows, group dances—but not much bread. No one is in need, as far as we know, and from an Asian perspective the standard of living is adequate, though static.

The party bosses zoom around on the deserted six-lane avenues in their Mercedes, their closest subordinates drive Volvos, while the people have to walk for kilometers, carrying their children on their backs.

Symbolic

It is true that this is the traditional Korean custom, but even so it acquires a kind of symbolism against the backdrop of all the shiny limousines gliding by, imported by this exchange-starved country to match the imposing buildings.

The shops contain little in the way of vegetables or meat. Most of it is canned. The daily rice ration has been cut from 700 to 400 grams per person, we were told.

"The harvest was poor last year because of flooding, the worst in 70 years," says Kim Ho-sok, who leads the Haksan agricultural cooperative outside the capital.

He also tells the visiting foreign journalists about all the pigs and cows and rabbits they fatten up. We find it hard to believe that a cooperative just outside the city has so many animals when there is so little meat in the city. We ask to see the livestock.

Acceptable Standard

This is a deviation from the program, something outside the modern row houses the tenants/farmers have made ready for our arrival. But after much hemming and hawing we start off down a bumpy gravel road.

As we drive by we can see a simpler village where people live under more crowded conditions. But the standard is quite acceptable, even in view of the cold winters. There is nothing to be ashamed of—compared with the housing standard in northern China, for example—but our tense companions seem ashamed anyway.

Then we come to a group of workers tending livestock and see 220 breeding sows lying and dozing in the midday sun, as sleepy as their attendants.

"We have also succeeded in taming turkeys," the leader of the work group says and shows us the big birds penned up in a small dark shed.

But we never see any of the cows they told us we would see.

"No, they are out on green pasture, it is too far, we can't do it now."

No Cracks

This is given as an illustration of how difficult it is to pin down the truth about this country.

"There is not one crack in the wall here," says a seasoned foreign diplomat. He talks about the police state, the close surveillance of the citizens that was intensified following the "events" in East Europe.

Formerly the socialist police state used the old Chinese and Korean system where one family is responsible to the authorities for 10 families. This has been stepped up. Now one family is responsible for five others.

Is this an improved version of Orwell's "1984"? Some people say it is. An underdeveloped country's low-tech version without electronic eyes in the walls, as in Orwell.

A Korean academic says, as expected, that there is a difference between the Ceausescu family in Romania and the Kim Il-song family and its grip on power.

"Unlike Ceausescu our president, Kim Il-song, made a real contribution. He fought against the Japanese. He built our country up."

But he continues:

Loyal to Kim

"Our parents, that whole generation, are extremely loyal to President Kim. For us in the younger generation who did not experience the war and poverty it is not really the same.

"Kim Il-song has undoubtedly also made mistakes. And who knows how he will be viewed 30 years from now?"

I remind him of how Stalin was once assessed—he was said to be 70 percent good and 30 percent bad—and the Korean academic did not reject the idea.

Our conversation occurs in a place where other Koreans and foreigners are present. How does he dare? People here are sent to labor camps for this kind of thing. Amnesty and the organization Asia Watch have named 12 camps that contain at least 105,000 political prisoners.

Lightly-Clad Lure

Was this a crack in the wall or an attempt to manipulate our impression, to display a reasonably pluralistic facade?

The same suspicion of manipulation strikes me when I see the lightly clad women wiggling their hips in a stage show for all the delegates to the meeting of the interparliamentary union. They want to show that they are on a looser rein than they really are, for now it is a question of enticing foreign firms to invest here. The economy has ground to a halt and there is an acute shortage of hard currency.

Many of our guides say we will soon see economic reforms, free zones and joint risk companies as in China. But nothing is said about political reforms.

Visitors Praise Kim Il-song Classical Work

SK0908105391 Pyongyang KCNA in English
1002 GMT 9 Aug 91

[Text] Pyongyang August 9 (KCNA)—"Let Us Achieve the Great Unity of Our Nation," talks of the great leader President Kim Il-song to senior officials of the Committee for the Peaceful Reunification of the Fatherland and the members of the North side's headquarters of the pan-national alliance for the country's reunification, has called forth widespread repercussions upon the progressive people in the world.

Wilfredo Saenz, director of the Institute of Social Science of the Federico Villareal National University of Peru, and Emiliano Roberto Yara Rodriguez, dean of a faculty of the Inca Garcilaso de la Vega University of Peru, on a visit to Korea said:

"Let Us Achieve the Great Unity of Our Nation" is a historical great program of reunification which gives flawless answers to the theoretical and practical questions on the independent and peaceful reunification of Korea. It can be put forward only by the great President Kim Il-song who has devoted his all to the country and the nation, taking upon himself the destiny of the country and the nation.

They noted that the work gives a most scientific exposition of the ways and questions of principle to achieve the reunification of Korea. This is of great significance in achieving the great unity of the Korean nation and hastening reunification, they added.

Wilfredo Saenz said:

The great leader President Kim Il-song made it clear that the question of national reunification is a matter concerning the destiny of the Korean pegple and the life of the nation. This shows his warm love for the Korean people with which he is working to reunify Korea into one and make them the happiest people in the world, taking close to heart national division and territorial split more than anything else.

Emiliano Roberto Yara Rodriguez said:

The work of the great leader President Kim Il-song expounds the fundamental principle of achieving the great unity of the whole nation, clearly indicating the way to remove the obstacles to reunification and achieve reunification in a most fair and aboveboard way.

Nelson T. Mawema, department director of the Central Committee of the Zimbabwe African National Union-Patriotic Front, said:

I was deeply moved when I read the new work of the great leader President Kim Il-song. It is because the work indicates the most realistic and fair proposal for Korea's reunification which is acceptable to all who want the reunification of Korea.

He continued:

In the work the great leader said that for the realisation of great national unity the compatriots of all social strata in the North, South and overseas must place the common national interests above all else and subordinate everything to the cause of national reunification, transcending the differences in idea, social system and religious belief.

His historical proposal for reunification is a most wise and practical great program in settling the question of Korea's reunification at present.

Letters Sent to Dailies on Kim Il-Song Speech

SK0808114291 Pyongyang KCNA in English
1019 GMT 8 Aug 91

[Text] Pyongyang August 8 (KCNA)—"Let Us Achieve the Great Unity of Our Nation," talks of the great leader President Kim Il-song to senior officials of the Committee for the Peaceful Reunification of the Fatherland and the members of the North side's headquarters of the pan-national alliance for the country's reunification on August 1, has inspired our working people with new confidence and hope for national reunification.

Working people across the country sent to NODONG SINMUN and other newspaper offices letters expressing their determination and their desire to realize national reunification through great national unity after reading the work of President Kim Il-song.

Yu Ho-chun, director of the Secretariat of the Central Committee of the Democratic Front for the Reunification of the Fatherland, said:

The respected leader Comrade Kim Il-song in his historical talks said that the first and foremost task in accomplishing the cause of national reunification is to achieve the great unity of our nation. If the compatriots in the North, South and abroad fight in unity with their determination to realize national reunification at any cost in the 1990s, they can accomplish the noble cause of reunification in a few year.

Kim Chung-il, chairman of the North Amgyong Provincial Administration and Economic Guidance Committee, said:

The great leader's work is a great program and highly important guideline which clearly indicates the most straight shortcut to the accomplishment of the historical cause of national reunification by strengthening the internal force of our nation through the great unity of the whole nation.

Kim Chi-yul, chief secretary of the Paekam County party committee, Yanggang Province, said:

We will carry on a substantial work with people of all walks of life in the future so as to firmly unite them around the party and the leader and help them devote their all to the righteous struggle for national reunification.

Kim Kwang-yon, manager of the Mangyongdae machine tool factory, said:

We are firmly determined to bring earlier the reunification of the country, the cherished desire of the nation, by pooling strength with all the fellow countrymen in the South and abroad, upholding the line of great national unity indicated by the respected leader Comrade Kim Il-song.

NODONG SINMUN on Kim Il-song Policy

SK0908051191 Pyongyang KCNA in English 0434 GMT 9 Aug 91

[Text] Pyongyang August 9 (KCNA)—The great principle of defining the way of national reunification laid down by the great leader Comrade Kim Il-song is the most just principle of confirming the method of reunification common to the nation as it correctly reflects the law-governed course of development of the reunification movement and the present specific conditions of the country, says an article contributed by Dr. Chong Song-chol to NODONG SINMUN today.

The article quotes Comrade Kim Il-song as saying:

"In the situation of our country where two different systems exist in the North and South, national reunification should be realized by establishing a confederation based on one nation, one state, two systems and two governments, on the principle of neither side conquering the other or being conquered by the other."

It says:

The great principle of defining the way of national reunification laid down by the great leader constitutes, above all, the basis for an earlier reunification, for finding the way of reunification common to the nation easily and quickly.

To begin with, it is a principle of defining the way of reunification on the premise that our nation is one.

It also sets forth the principle that the way of reunification must be defined on the premise that the North and the South should be made one state.

And it shows the way of confirming a method of national reunification which can actually help achieve it in a short time.

This principle also constitutes the basis for finding a fair and aboveboard way of reunification which is easily acceptable to all.

It makes a principle easily acceptable to all as it helps establish a way of achieving the country's reunification in a fair manner favorable both to the North and the South.

It is a just principle easily acceptable to all also because it is based on the premise that the country's reunification should be realized by peaceful means, not by means of war.

It is a just principle which takes into serious consideration even the prosperity and development of the nation after the country's reunification.

Indeed, it is the most reasonable, realistic and unique great principle of defining the method of national reunification which makes it possible to place the common demand and interests of the nation above anything else, transcending ideology, idea and system, and reunify the country in a peaceful way at an early date as desired by the nation.

Veterans Hope To Settle in Rural Area

SK0908093791 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 29 Jul 91

[Excerpts] One hundred and thirty discharged soldiers who had manned the guard posts for the defense of the fatherland while serving in the Korean People's Security Forces [KPSF] unit, to which Comrade Sin Il-nam belonged, asked permission to collectively join the 10 November youth farm.

The dear leader Comrade Kim Chong-il rated highly the deeds of these discharged soldiers who have resolved to move collectively into a rural community and make it their permanent home and to play a core role in the struggle designed to realize socialist rural thesis. He expressed great love and consideration for all of them. [passage omitted]

The discharged soldiers of the KPSF unit in which Comrade Sin Il-nam served have appealed for collective participation in the socialist rural community upholding the party's intent. They held a meeting on 29 July to confirm their resolve.

Commanding officers of the unit attended the meeting with the soldiers.

Following a report by Kim U-song at the meeting, discharged soldiers Chang Song-nam and Yi Kum-tu, and officer Kim Kil-won took part in the debates. [passage omitted]

Annivesary Meetings Held Across Country

SK0908135691 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 27 Jul 91

[Excerpts] Working people across the country, who, with faith in certain victory and a rosy view of the revolution, are accelerating the all-out march of the nineties under the wise guidance of the party and leader, have meaningfully celebrated the 38th anniversary of victory in the great Fatherland Liberation War.

Meetings of the working people were held on 27 July in the provinces, cities, counties, and major plants and enterprises to celebrate the 38th anniversary of victory in the great Fatherland Liberation War. [passage omitted]

Attending the meetings were responsible functionaries of local party and power organs, administrative and economic institutions, and working organizations; responsible functionaries of major plants and enterprises; commanding officers of the Korean People's Army [KPA] units stationed in the enterprises concerned, along with the republic's heroes, exemplary KPA soldiers, veterans, families of those killed in the war and those killed by the enemy, KPA servicemen's families, and working people. [passage omitted]

Attending the celebration meeting of the working people in Pyongyang held in Kim Il-song Plaza were Comrade Kang Hui-won, alternate member of the Political Bureau of the WPK Central Committee and vice premier of the State Administration Council; Comrade Kim Chung-nin, secretary of the party Central Committee; Comrade Chang Chol, vice premier of the State Administration Council; Choe Mun-son, responsible secretary of the Pyongyang municipal party committee and chairman of the Pyongyang Municipal People's Committee; Won Tong-ku, chairman of the General Federation of the Trade Unions of Korea Central Committee; Pak Su-tong, chairman of the Agricultural Workers Union Central Committee; KPA generals and officers, including General Kim Kwang-chin, KPA general and member of the DPRK Defense Committee; responsible functionaries of the working organizations; and other functionaries concerned, along with about 10,000 workers from the city. [passage omitted]

The meeting began with the chorus singing "the Song of Gen. Kim Il-song." Choe Mun-son, responsible secretary of the Pyongyang municipal party committee and chairman of the Pyongyang Municipal People's Committee, made a speech at the meeting. [passage omitted]

Chuche-Oriented Party Building Theory Cited

SK0808144191 Pyongyang Korean Central Broadcasting Network in Korean 0007 GMT 28 Jul 91

[NODONG SINMUN 28 July Special Article: "Basic Characteristics of Chuche-Oriented Party Building Theory"]

[Text] The revolutionary and scientific party building ideology and theory are the guiding principle for building a powerful and mighty party. The prestige of our party's lofty leadership and its invincible might are related to party building and activity with the great chuche-oriented party building theory as a guideline.

The dear leader Comrade Kim Chong-il has indicated: The basic characteristics of the chuche-oriented party building theory are that it is based on the principle of the chuche idea and is unfolded and developed with the leader's position and role as the core.

The chuche-oriented party building theory is a unique doctrine which is unfolded and systematized with the principle of the chuche idea and the leader's position and role as the core. The chuche-oriented party building theory has been unfolded and systematized on the basis of the principle of the immortal chuche idea. The greatness and vitality of the party building theory are guaranteed by the truthfulness of the principle on which the party building ideology and theory are based. The party of the working class is a political organization around which people rally, and the target of its activity is also people. Therefore, the principle and theory on party building should be unfolded on the basis of the scientific elucidation of the inherent character of man.

The chuche-oriented party building theory is a theory which has been unfolded and systematized on the basis of the inherent characteristics of man. This theory has been enunciated by the great chuche idea for the first time in history, and by the principles of social and historic movements as an independent and creative movement of the popular masses. All principles, including the basic principles of party work and party activity which have been enunciated by the chuche-oriented party building theory, are based on the man-centered chuche idea. In other words, the principle on the party's organizational building, too, is based on the principle that the main force of the revolution is the unified body of the leader, the party, and the masses. The principle on the party's ideological building is also based on the ideology in which men's independent ideological consciousness plays a decisive role in the revolutionary struggle. The principle on building the party's leadership art, as well, is based on the principle that by placing the popular masses at the center, all problems should be solved in the direction of defending their interests and enhancing their roles.

Thus, the chuche-oriented party building theory has been unfolded and monolithically systematized on the basis of the principle of the chuche idea. Precisely herein

lies one of the basic characteristics of the chuche-oriented party building theory and the source of the geatness, the revolutionary spirit, and boundless vitality of the theory. The chuche-oriented party building theory is also the theory which has been monolithically systematized with the question of the leader's position and role as the core.

The revolutionary cause of the working class is the leader's cause, which is started and advanced by the leader and which is consummated under the the leader's leadership. All political organizations are the political organizations organized and led by the leader. The party, too, is founded, strengthened, and developed by the leader. The struggle for achieving the independent cause of the popular masses can be victoriously advanced only by the leader's ideology and leadership. A revolutionary party of the working class cannot exist if it fails to rally around the leader and ignores his ideology and leadership. If such a party exists, it cannot perform its mission and role.

The matter on the leader's position and role is a basic matter which affects the destiny of the party of the working class. It is also the starting point in solving all theoretical and practical problems in party building. The chuche-oriented party building theory is a mighty party building theory which makes it possible to politically and ideologically consolidate the party ranks and to establish a correct leadership art, because the theory is unfolded with the revolutionary view on the leader as the basic core. The chuche-oriented party building theory which has been unfolded with the principle of the chuche idea and the matter of the leader's position and role as the core has been brilliantly embodied in the principle on building revolutionary organizations, the principle on building the party's ideology, and the principle on building the leadership art.

If the party of the working class in power is to defend its leadership position in society and firmly exercise political leadership there, it is important to strengthen the party organizationally and ideologically and to constantly improve the leadership method. The party's political leadership in society is guaranteed by the party's combat capability and leadership ability, and it is also strengthened through the process of establishing corret leadership art.

The party of the working class in power should establish the principles of scientific and revolutionary organizational and ideological building and leadership art building and should consistently implement these principles. By so doing, the party of the working class in power can defend its leading position and firmly exercise its political leadership in society. Party organizational building is the work of building the party into an organizationally monolithic body. Properly carrying out party organizational building is the fundamental guarantee for building the party into a firmly disciplined and militant unit rallied around the leader organizationally by firmly deepening and strengthening the party's organizational foundation.

The chuche-oriented party building theory prescribes it as the principle of party organizational building to build the party organizationally with the leader as its center and to make it a mighty monolithic body. A brain [noesu] should be in the party, the organically unified body should be organized with party members, and the party's organization should be formed with this brain as the center.

The party of the working class is a political organization in which the working class and the advanced elements of the masses of working people are firmly united and rallied organizationally around the leader. In the party of the working class, party organizations and party members are firmly united and rallied with the leader as the center. Precisely herein lie the characteristics of the party of the working class which is distinguished from other political parties. Therefore, only when the party of the working class sets the principle on party building with the leader at the center and thoroughly embodies it in party organizational building can it have the outstanding appearance of the party as an organized unit.

The chuche-oriented party building theory elucidates that to unite and rally the entire party organizationally with the leader as the center and to establish the revolutionary discipline in which the party moves as one, it is imperative to thoroughly abide by the principle of the democratic centralist system and to properly establish the party's organizational structure and system.

The party's ideological building is the work of making the party an ideologically pure body. Only when the party properly carries out ideological building, along with organizational building, can it strengthen its combat capability and constantly enhance its leadership role. The party is a political organization of those men who have been rallied with the same ideology and ideal and is a vanguard organization which struggles to realize ideology and ideals. Therefore, it is impossible to strengthen the party without guaranteeing its ideological purity.

The chuche-oriented party building theory has defined it as the basic principle of ideological building to see to it that, proceeding from the principle of the revolutionary view of the leader, the leader's revolutionary ideology unitarily prevails within the entire party. Seeing to it that the leader's ideology unitarily prevails in the entire party is the basic condition which enables the party to become the leader's party forever by consolidating and developing the party's ideological foundation. It also allows the party to thoroughly wage activities according to the leader's intent. The party is an organic body which exists and is active with ideology as its blood vessels. Therefore, only one ideology should prevail in the party. Man cannot live if he has different blood types in his body. Likewise, the party, too, cannot maintain its life if it has

different ideologies as its guide. No different ideology but the leader's ideology should be allowed within the party of the working class.

Only when the party of the working class is permeated exclusively with the leader's revolutionary ideology can the ideological and mental unity of the entire party be achieved on the basis of the leader's revolutionary ideology and can the party successfully lead the revolution and construction.

The chuche-oriented party building theory has elucidated the necessity of the leader's revolutionary ideology unitarily prevailing in the entire party. The theory also shows how imperative it is to thoroughly guarantee the unitary guidance of the party center in ideological work, to correctly decide the content of ideological work, and to improve its forms and methods by firmly establishing chuche. The building of the party's leadership art is the work of making the party the political organization with high leadership ability and functions. The building of the party's leadership art is of important significance in leading the party to reliably exercise leadership in the revolution and construction by strengthening and developing it into a mighty political organization with the tested leadership ability and method of activity that can skillfully lead organizations and the masses.

The chuche-oriented party building theory has clarified the realization of the unitary leadership of the leader and the embodiment of the mass line as the principle of building the leadership art. The building of the party's leadership art should be conducted so that the leader's unitary leadership can be firmly exercised. The party's leadership is, in essence, the leader's leadership and is the course in which the leader's ideology and intent are correctly embodied in all sectors and units of the revolution and construction. Only when the work system and the work method are correctly established so that the leader's leadership can be exercised in the entire party and the whole society can the party sincerely perform its function and role as the leading political organization which (?embodies) the leader's ideology and leadership.

The building of the party's leadership art should be conducted so that not only the leader's unitary leadership can be exercised, but also the the revolutionary mass line can be embodied. The party's leadership is the political leadership to realize the popular masses' independence. The party's leadership cannot exist apart from the popular masses' demands and interests, and the party's leadership should also respect the will of the masses and enhance their roles to the maximum. Only by so doing can we lead the broad segments of the masses to trust and follow the party and to launch into the struggle to implement the party's policy and, at the same time, can we lead the party's leadership to be successfully exercised.

The chuche-oriented party building theory has established that to guarantee the unitary nature of leadership and to combine it with the mass line, the system and order which move as one according to the intent of the party Central Committee should be established in the entire party. The party committee as the supreme guidance organ in each unit should not only establish the system of guiding all work in the unit in a unified manner, but should also strengthen collective guidance and establish the revolutionary and people-oriented work method and work style.

Thus, the chuche-oriented party building theory is the new and unique party building theory and a complete doctrine which have monolithically systematized the principles of the party's organizational building, ideological building, and leadership art building with the chuche idea, the man-centered world view, as the ideological and theoretical foundation and with the revolutionary view of the leader as the core. The correctness of the chuche-oriented party building theory has been extensively proven by the historical experience of our party building and by the brilliant victory and success attained under the party's leadership.

All victories and successes attained in the development of our party and in socialist construction cannot be contemplated apart from the invincible vitality of the great chuche-oriented party building theory. By firmy embodying the chuche-oriented party building theory and principle, our party has been strengthened and developed into the iron-willed party firmly united as one in mind on the basis of the unitary ideological system of the party, into the party with strong organizational spirit and disciplinary character, into the invincible party which is firmly united as one with the popular masses, and into the bright and promising party which will brilliantly inherit and consummate the leader's cause.

Reality clearly proves that the chuche-oriented party building theory, which our party has adopted as its guiding principle, is a unique party building theory which fits the demands of our times.

Rakwon Machine Complex, Products Profiled

SK0808154091 Pyongyang KCNA in English 1511 GMT 8 Aug 91

[Text] Pyongyang August 8 (KCNA)—The Rakwon machine complex, one of the nation's mighty producers of large machines, is now stepping up the completion of a 18,000 cubic metre oxygen plant.

The extra-large oxygen plant which presses, cools and liquefies and purifies air to turn out oxygen, nitrogen and argon is a combined equipment of high precision, high speed and automated mechanism designed by the technical staff of the complex.

In the 1980s the complex produced 6,000 cubic metre oxygen plants by its own efforts and technology and sent them to the chollima steel complex, the hwanghae iron and steel complex, the pyongbuk smeltery and other sectors of the national economy.

The enterprise located in Sinuiju, North Pyongan Province in the northwestern part of the country was a small ironworks which made hoes and sickles.

After the liberation of the country it has turned into a modern mining equipment producer and a large-scale machine builder under the wise guidance of the great leader President Kim Il-song.

President Kim Il-song has given it on-the-spot guidance on 14 occasions and highly important teachings on more than 500 occasions ever since the liberation to indicate the tasks of the enterprise in each period of the developing revolution and given a great trust and courage to the workers there.

In June 1952 when the grim Fatherland Liberation War was at its height, he visited the complex (the then Rakwon machine works) and guided a general meeting of the party cell of the casting shop at which he inspired the party members with the conviction of victory in the war and spread the prospect of the post-war rehabilitation and construction.

The workers encouraged by the repeated on-the-spot guidance of President Kim Il-song and great trust he placed in them produced molten iron from the furnace by their own efforts under the difficult circumstances in which the supply of electricity was suspended and thus successfully carried out their war-time production quotas.

And they manufactured a large water pump, the first of its kind in the history of our country, and contributed to the completion of the Pyongnam irrigation project, while rehabilitating the factory on an expansion basis by themselves in a short period after the war.

The Rakwon workers manufactured the "Chollima" excavator No. 1 in a matter of 46 days, shattering conservatism, passivism and mysticism about technology and, in its wake, made a heavy-duty excavator called "changbaek", a highly-efficient deep-boring machine, a large nitrogen plant needed for the extensive use of chemicals in agriculture and a high-pressure compressor and many other machines badly needed for the development of the national economy.

President Kim Il-song awarded the precious title of "Factory of Self-Reliance" and "Valiant Unit" to the factory, saying that it was a factory with a tradition which had manufactured everything demanded by the party.

The factory now produces such modern heavy-duty excavators as hydraulic excavators all-purpose excavators water channel excavators, and deep-boring machines of various types, hydraulic crane trucks, centrifugal compressor of tens of thousands of cubic metres and other large machines and ordered equipment.

It turns out in a few hours what it produced in a year shortly after the liberation.

Trolleybus Line in Hamhung City Opens

SK0908073691 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 27 Jul 91

[Text] A thank-you note from the Central Committee of the Workers Party of Korea [WPK] was delivered to the working class, youth, and three revolutionary team members who built the trolleybus line between Haean and Undok in Hamhung City.

The line was completed and opened as a result of the youths' vigorous struggle to celebrate the first Youth Festival Day with an impressive labor exploit.

The operation of the new trolleybus line makes travel more convenient for the area citizens. In addition, there is the prospect of a trolleybus [word indistinct] line linking Hungnam, Sopo, and Haean districts.

In upholding our party's aim to provide the people with better living conditions, youths and three revolutionary team members in Haean district, along with the district's working people, completed in a short time the line construction and the expansion and paving of tens of thousands of meters of roads. Mobilizing their inner strength, they were outstanding in producing the electric poles, streetcar lines, [word indistinct] line, and all kinds of spare parts needed for the line construction.

The district's children and students have positively conducted a campaign for "Good Deeds Movement." As a result, they have laid the groundwork for the building of more trolleybuses.

The dear leader Comrade Kim Chong-il, receiving a report on the completion of the trolleybus line between Haean and Undok, highly praised the success attained by the working class, youth, and three revolutionary team members in Haean district who participated in the construction. Thus, the dear leader instructed them to name the trolleybus "Chongnyon [Youth]-ho." In addition, he arranged for them to hold the opening ceremony on Youth Festival Day.

A thank-you note from the WPK Central Committee was delivered to the working class, youth, and three revolutionary team members who participated in the construction of the trolleybus line between Haean and Undok in Hamhung City.

The ceremony was held yesterday on the spot. Choe Yong-hye, chairman of the League of Socialist Working Youth of Korea; Hyon Chol-yu, responsible secretary of South Hamgyong Provincial Party and chairman of the people's committee of South Hamgyong Province; Yi Tong-yun, chairman of South Hamgyong Provincial Administrative and Economic Guidance Committee; and other relevant functionaries participated in the ceremony along with the youth, children, students, three revolutionaries, and the working people in the district.

In the ceremony, the WPK Central Committee's thank-you note was read and received warm applause from the

participants. After Choe Yong-hye made a report, Cho Yong-il, chairman of the LSWYK in Haean district; Hyon Hui, driver at Hamhung's No. 2 trolleybus station; and Kim Kyong-su, three revolutionary team member, participated in the discussion.

Reporters and those who participated in the discussion commented on the completion of the new section of the trolleybus line and on their deep gratitude and pleasure over the WPK Central Committee's thank-you note. They pointed out that the three revolutionary team members, youth, and working class of the plants and enterprises, including the Yongsong Machine General Bureau, contributed to the completion of the trolleybus line by manufacturing—using their own resources—many facilities and materials with their own capacity.

The three revolutionary team members, youth, and working class say that today they are faced with the task of further displaying socialism of their own style. They expressed their resolve to properly manage and operate the newly opened trolleybus line to carry out the task of revolution assigned them, particularly, by gaining wisdom and being associated with the construction of Hamhung district.

A letter of pledge to the WPK Central Committee was adopted at the ceremony. As soon as the ceremony ended, the red-colored ribbon draped over the trolleybus, "Chongnyon-ho," was cut, and the electric car loaded with passages headed for its destination.

Consumer Goods Production Stressed

SK0808125091 Pyongyang Korean Central Broadcasting Network in Korean 0006 GMT 30 Jul 91

[NODONG SINMUN 30 July editorial: "Let Us More Vigorously Push Ahead With the Light Industrial Revolution"]

[Text] The great leader Comrade Kim Il-song, in his New Year's Address this year, put forth a task of placing continuous emphasis on increasing the people's standard of living. We should uphold the party's policy on light industrial revolution and wage a more vigorous struggle to implement it so that we can increase the standard of the people's material and cultural lives one stage higher and give full play to the true superiority of our country's socialist system.

The dear leader Comrade Kim Chong-il has noted: All the functionaries and working people in the light industrial sector should wage a more vigorous struggle for the successful implementation of the light industrial revolution with a firm faith.

Struggling for the successful implementation of the light industrial revolution is an important demand to carry out the people-oriented policy of our party which makes it its supreme principle to struggle for the successful implementation of the light industrial revolution. Our party is a party which struggles, devoting everything it has, solely in the interest and for the happiness of the popular masses, upholding the slogan, "We serve the people."

The objective of our party in putting forth a program on modelling the entire society on the chuche idea and struggling for building socialism and communism is, after all, to make the people live better.

Our party has put forth a policy on the light industrial revolution in conformity with the demand of the reality in which the socialist construction is accelerated at a rapid pace and the people's demand for consumer goods is increasing with each passing day, and is vigorously arousing the entire party membership, the entire country, and all the people to implement it. Our functionaries and working people should be ideologically mobilized into the struggle to implement the party's policy on the light industrial revolution, epochally increase the production of the people's consumer goods, and devote all their wisdom and energy to the struggle to enhance its quality.

Our objective in repaying our party by carrying out the light industrial revolution is to greatly increase the quantity and kinds of the consumer goods so as to more satisfactorily meet the demand for the people's consumer goods within a few years, and to enhance their quality to a world standard. When we have increased the quantity and kinds of the consumer goods so that useful goods of various kinds may be well stocked in stores to more satisfactorily meet the people's demand, we can say that the light industrial revolution is carried out. Then our people will lead more affluent and civilized lives, further exalting the superiority of popular mass-oriented socialism of our own style.

To further accelerate the light industrial revolution, the functionaries should, above all, firmly arm themselves with the party's policy of giving priority to light industry and thoroughly implementing it. As the dear leader Comrade Kim Chong-il noted, to give priority to light industry is to attach the greatest importance to resolving the problem of the people's consumer goods and to concentrate the energy on the light industrial sector. Therefore, the problem of implementing the policy of giving priority to light industry is an important task not only for the functionaries of the light industrial sector but also for the functionaries of all sectors of the people's economy.

The functionaries of all sectors of the people's economy should bear it in mind that the policy of giving priority to light industry is the most important demand put forth by our party at present in socialist construction, and highly demonstrate an attitude befitting a master in the struggle to implement it.

The functionaries' spirit of absoluteness and unconditionality about the party's policy of giving priority to light industry must be expressed in the economic organizational work on the basis of subjecting everything to the production of people's consumer goods.

We are now faced with staggering tasks of accelerating the construction of major projects while firmly giving priority to the pilot of the national economy. In fact, the purpose of such tasks is to provide the people with a more affluent and happy life.

As a matter of course, the functionaries should organize the economic work on the basis of subjecting everything to the production of people's consumer goods. They should extend active support to light industry materially and technically and in terms of labor, while supplying even raw materials and materials to them in all sectors of the national economy.

Functionaries should do such deeds as finding out, from time to time, what the people need to make their living easier and problems facing the light industrial plants. Functionaries then should provide them with answers in a timely manner, thereby seeing to it that people's consumer goods suitable to the people's demand and taste, such as cloth, footwear, and processed foodstuffs, are churned out in greater quantities.

The production of the people's consumer goods is to be realized in close ties with all the sectors of the national economy. Functionaries at all sectors of the national economy, including the chemical, machinery, metallurgical, and forestry industries, should make positive effort to produce and supply equipment, raw materials, and materials that will dovetail into the light industrial sector in a timely manner, with a sense of responsibility.

In particular, the chemical industrial sector should operate its equipment at full capacity so as to satisfactorily produce and supply such things as vinalon, staple fibers, rayon yarn, orlon, plastics, caustic soda, sodium carbonate, hydrochloric acid, dyestuff, and paints.

Functionaries at the transportation sector should reasonably organize transportation by railway, ships, and vehicles in order to bring fuel, raw materials, and materials to the light industrial plants in a timely manner and do a good job of moving the light industrial goods from the plants to the consumers.

Functionaries and working people at the light industrial sectors are the ones who are directly responsible for carrying out the light industrial revolution. Only when the masters play their role and fulfill their duty in a way that is worthy of their being masters, can they make the flames of the light industrial revolution burn fiercely, and can they churn out a variety of light industrial goods of good quality.

Functionaries and working people at the light industrial sector should realize the importance of the duty assigned to them and highly display their revolutionary consciousness, party awareness, working class awareness, and people-mindedness. The lofty revolutionary consciousness, party awareness, working class awareness, and people-mindedness on the part of the functionaries serving at this sector should be expressed in actively increasing the quantity and variety of the consumer goods according to the ever-increasing demands of the people. This should be done by effectively utilizing the basis for the light industrial sector that has already been laid.

We have built modern light industrial plants in many places throughout the country under the wise guidance of the party and the leader. Under such conditions, if we run the existing plants at full capacity and improve determinedly the quality of the light industrial goods even higher, we can contribute to wonderfully carrying out the light industrial revolution in a short period of time.

Functionaries at the light industrial sector should preplan and supervise the organization and command of production in the finest detail, such as the work of planning [kyehoekhwa saop] and the work of material supplies, labor division, and equipment maintenance.

Functionaries and working people at this sector should routinely acquaint themselves with the condition of equipment, repair and maintain it in a timely manner, and lay in store enough spare parts.

They should also handle equipment carefully according to technical and engineering demands and establish a strict (?rule) and order in maintaining equipment. In particular, mechanics should vigorously launch the movement of loyalty to create model machines by learning from No. 26 lathe.

Functionaries and working people at the light industrial sector should actively increase the variety and develop the forms of the consumer goods based on a firm standpoint that they should produce any kind of consumer good demanded and liked by the people, while making positive efforts to guarantee their quality at the highest level.

In order to carry out the light industrial revolution, it is imperative to display the revolutionary spirit of self-reliance and arduous struggle even higher. Today, when all the conditions are fulfilled far more satisfactorily than in the postwar days and when the might of the self-sufficient national economy has been strengthened, there is nothing we cannot do if we highly display the revolutionary spirit of self-reliance and arduous struggle.

Functionaries and working people at the light industrial sector should mobilize all manner of reserves and potential in the struggle to implement the party's policy on the light industrial revolution so as to manufacture what is nonexistent and effectively use what is in short supply, while keeping the flames of the light industrial revolution burning.

The 3 August People's Consumer Goods Movement is a mass movement of broad range designed to drastically increase the production of various types of people's consumer goods by effectively, massively mobilizing and

using the inner reserves based on their creative ability. This movement planned and put in motion by our party has proven its great worth.

All the cities and counties across the country should produce a great many variety of people's consumer goods, including foodstuffs and daily necessities, in large quantity by organizing a great many housewives' workteams and sideline workteams suitable for their respective conditions and by positively using the industrial byproducts, agricultural produce, natural raw materials, and [word indistinct] materials.

Even the central industrial enterprises should increase the number of plants, workshops, and workteams producing daily necessities and then produce even more people's consumer goods.

Tasks that the party organizations are supposed to fulfill in keeping the flames of the light industrial revolution burning are very heavy. Party organizations at all levels should firmly adhere to the party's policy on the light industrial revolution and vigorously carry out the organizational and political work aimed at calling on the party members and working people to march toward its perfection. Thus, they should keep the struggle for consummating the party's policy on the light industrial revolution alive with the revolutionary spirit of self-reliance and arduous struggle, not to mention the lofty loyalty to the party and leader that was highly displayed by our working class and people during the postwar period of great Chollima upswing.

Party functionaries should frequently visit the light industrial plants and plants producing the 3 August people's consumer goods to see whether they have any troubling problems. They should solve them in a timely manner, broadly popularize the successes and experiences acquired in the process of carrying out the light industrial revolution, and rectify defects and imperfections.

In particular, party organizations in the light industrial sector should support the functionaries so that they can run the economic management with a sense of responsibility according to the demands of the Taean Work Method, our own most superior style of economic management system.

All functionaries and working people, upholding the slogan of faith that "What the party decides, we will do," keep the flames of the light industrial revolution burning, thereby effecting decisive changes in the production of the people's consumer goods.

Botanical Specimens House Under Construction

SK0808113591 Pyongyang KCNA in English
1014 GMT 8 Aug 91

[Text] Pyongyang August 8 (KCNA)—A house of botanical specimens is being built along modern lines in the central botanical garden located at the foot of Mt. Taesong on the outskirts of Pyongyang.

The two-storeyed house with a total floor space of nearly 2,000 square metres consists of preserving, research and making rooms of botanical specimens.

Varieties of plants abundant in our country will be exhibited in the house in a comprehensive system.

Plants peculiar to different countries will also be put on desplay.

Leaves, flowers, stalks and seeds of plants will be permanently preserved in specimens in the house.

KCNA Review of 9 Aug Pyongyang Press

SK0908053691 Pyongyang KCNA in English
0441 GMT 9 Aug 91

[Press review]

[Text] Pyongyang August 9 (KCNA)—Dailies here today frontpage the report that President Kim Il-song of the Democratic People's Republic of Korea sent a message of greetings to President Wee Kim Wee on the national day of the Republic of Singapore.

NODONG SINMUN carries a message of greetings sent by Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, to H. Desmond Hoyte upon his reelection as leader of the People's National Congress of Guyana.

Printed in the paper is a solidarity message to the great leader President Kim Il-song from the Central Committee of the Communist Party of Austria.

The press carries a statement given to the press by Yun Ki-pok, secretary of the Central Committee of the Workers' Party of Korea, vice-chairman of the Committee for the Peaceful Reunification of the Fatherland and chairman of the North side's headquarters of the Pan-National Alliance for the Country's Reunification, in support of President Kim Il-song's work "Let Us Achieve the Great Unity of Our Nation" and repercussions evoked by this work upon the home and foreign public.

An article of NODONG SINMUN says that the great leader has led functionaries to work with deep human love and kindness.

Given in the paper is an account of a symposium of Korean social scientists in Japan on a work of the dear leader Comrade Kim Chong-il.

Econews of the press includes the report that the Sunchon cement complex has increased production and that the Hungnam fertilizer complex is accelerating the project of introducing large-size and modern equipment in the ammonium production system.

Given in the press are accounts of the arrival of the Mt. Paektu-Mt. Halla grand march squad for the promotion of national reunification in Hyesan, Yanggang Province, and a meeting of the marchers held to vow to achieve reunification.

MINJU CHOSON reports that an information of the side of the Korean People's Army and the Chinese People's Volunteers to the Military Armistice Commission in Korea was distributed as an official document of the U.N. Security Council.

According to NODONG SINMUN, nearly 30 South Korean student martyrs were registered as honorary students at universities and colleges in the northern half of the country and diplomas of graduation were awarded to eight of them.

It is reported in the press that the U.S. Pacific Airforce Command, in coordination with the U.S. Airforce present in South Korea, committed a provocative nuciear air strike exercise against the North with the Korean peninsula as the operational theatre.

South Korean news columns of the press include reports that the Council of the Movement of Families for Practising Democracy (Mingahyop) and the General Student Council of Myongji University rejected a deceptive trial concerning the case of murder of Kang Kyong-tae and papers exposed the falsity of the authorities' "right to nuclear negotiation" and criticized the dissipate life of South Korean "national assemblymen".

Printed in NODONG SINMUN is an article contributed by Dr. Chong Song-chol, which stresses that the way of national reunification put forward by President Kim Il-song, that is, to achieve reunification by means of a confederacy based on one nation, one state, two systems and two governments, is a most just great principle of defining the common way of national reunification.

A MINJU CHOSON article criticizes the South Korean authorities for blocking the opening of the pan-national rally.

Conveyed in the press are world public voices expressing solidarity for the Korean people's cause of national reunification and calling for the denuclearization of the Korean peninsula.

Dailies report that grand mass meetings were held in succession in Madagascar to support President Didier Ratsiraka, a spokesman for the Soviet Foreign Ministry referred to the question of the Kuril Islands. Also seen there is the gist of an article contributed to the Chinese PEOPLE'S DAILY under the headline "Let Us Adhere to People's Democratic Dictatorship and Strengthen Socialist Democracy and Legislation".

Dailies introduce Singapore on the independence day of the country.

NODONG SINMUN comes out with an article laying bare the reactionary nature of the bourgeois theory which praises the system of private ownership and MINJU CHOSON an article dealing with the reactionary nature of the United States' "policy of strength".

NODONG SINMUN informs the readers that Americans criticized President Bush's economic policy.

South Korea

UN Council Recommends South, North Admission

SK0808154391 Seoul YONHAP in English 1532 GMT 8 Aug 91

[Text] United Nations, Aug. 8 (OANA-YONHAP)—The United Nations Security Council on Thursday adopted a resolution recommending South and North Korea's admission to the world body.

The 15-nation Security Council, chaired by Ecuadorian Ambassador to the U.N. Jose Ayala Lasso, adopted the resolution recommending both South and North Korea by a Council consensus.

North Korea applied on July 8 and South Korea on Aug. 5, but the Security Council handled it as a single item.

The two Koreas' membership becomes final when the United Nations General Assembly convenes Sept. 17. The assembly is expected to unanimously accept South and North Korea, Micronesia and the Marshall Islands at the opening session.

Yi Sang-ok Pledges Adherence to UN Ideals

SK0808155391 Seoul YONHAP in English 1537 GMT 8 Aug 91

[Text] Seoul, Aug. 9 (OANA-YONHAP)—The South Korean Government, with its admission to the United Nations assured, pledged Friday [9 August] to contribute to international peace and prosperity and enhance cooperation with North Korea.

"As the Republic of Korea joins the U.N., we intend to contribute as much as we can towards the United Nations' lofty ideals of international peace and security as well as human development and prosperity," Foreign Minister Yi Sang-ok said.

"We also intend to redouble our efforts to enhance cooperation with North Korea within the United Nations system so that both Koreas can improve inter-Korean relations and accele[illegible]rocess towards peaceful reunification of [illegible]eland," he said in a statement timed to the U.N. Security Council's adoption of a resolution for South Korea's U.N. membership.

The 15-member UNSC approved both South and North Korea's membership application, virtually completing the procedure for their joining the global body.

The U.N. General Assembly is expected to unanimously adopt a resolution accepting the new members at its opening session Sept. 17.

"In particular, the government of the Republic of Korea attaches great significance to the fact that both North and South Korea's applications for U.N. membership were settled under a single resolution by the Security Council," the foreign minister said.

"We are deeply grateful to all peace-loving countries in the world for the staunch support and assistance they gave to our campaign for U.N. membership," he said.

Envoy Thanks Countries Supporting UN Bid

SK0908043691 Seoul YONHAP in English 0120 GMT 9 Aug 91

[Text] United Nations, Aug. 8 (YONHAP)—Amb. No Chang-hui, head of South Korea's U.N. observer mission, said Thursday that the U.N. Security Council's unanimous adoption of a resolution recommending South and North Koreas' entry into the world body was vivid testimony to the principle of universality.

With adoption of the resolution, the United Nations had cleared away the last dregs of the cold war and substantiated the principle it is pursuing of universality of membership, No said.

It was meaningful for South Korea to join the world body at a time when it was playing a pivotal role in building a new international order, he said.

When formally admitted, South Korea would positively take part in activities to promote international peace and security in a way commensurate with its status in the world community and its capability, he said.

Expressing his gratitude to countries that supported South Korea's bid for U.N. membership, the envoy said he hoped the two Koreas' presence in the United Nations would facilitate dialogue and exchange between them and contribute to advancing the day of reunification of the Korean peninsula.

The 15-nation Security Council's adoption earlier in the day of a resolution recommending South and North Korea's admission to the world body virtually ensures them of U.N. membership.

Membership becomes final when approved by the General Assembly, which convenes Sept. 17.

South Refuses To Change Name of Meeting

SK0908120391 Seoul TONG-A ILBO in Korean 6 Aug 91 p 1

[Text] In a letter sent to Kim Chang-won, director of the Institute of Philosophical Research under North Korea's Academy of Social Sciences, So Kwang-hui, professor at Seoul National University and chairman of "the Korean Philosophers' Meeting," scheduled for 21-24 August, said that the name of the meeting cannot be changed.

Chairman So said: The word "Korean" in the name reflects the will of the promoter of the meeting to highlight the fact that the Korean people are one. Invitations have been extended to overseas Korean philosophers, along with the scripts for their speeches, by that name. So leave the name issue to us, the promoter of the meeting.

Earlier, the North Korean side demanded that the word "Korean" in the name be changed to "Pan-national."

Delegates To Attend North Economic Conferences

SK0908092691 Seoul YONHAP in English 0741 GMT 9 Aug 91

[Text] Seoul, Aug. 9 (YONHAP)—South Korea, determined to support North Korean development of a special economic zone near the Tuman River, would send delegates to attend conferences on the project.

Some 10 officials from the Economic Planning Board, Foreign Ministry and Science and Technology Ministry will attend a meeting on the Tuman special economic zone involving North Korea and China Aug. 27-31. The United States, Japan, the Soviet Union and Mongolia in addition to North Korea and China will also be represented at the meeting in Changchun, northeast China.

Early next month, technical specialists from the Science and Technology Ministry will join a feasibility survey of the region sponsored by the U.N. Development Program (UNDP).

And in mid-October, officials will go to Pyongyang for the five-year Tuman River development planning conference.

North Korea officially invited South Korea to join the development project in July, during a development planning meeting in Mongolia, and Seoul has sought private-level participation.

UNDP officials will scrutinize technical problems during working-level meetings in Pyongyang and Seoul after the feasibility survey.

According to an unofficial government survey, foreign investors will contribute 3 billion U.S. dollars to Pyongyang's project over the next five years.

The triangular free trade area, its corners marked by Saebyol, Unggi and Najin, will be similar to China's special economic zone. Proposals call for the construction of an industrial complex and railway lines to China and the Soviet Union, expansion of harbors and roads and improved communications.

Working Level Talk at Panmunjom Scheduled 10 Aug

SK0908084691 Seoul YONHAP in English 0819 GMT 9 Aug 91

[Text] Seoul, caug. 9 (YONHAP)—The second round of working-level talks at the truce village of Panmunjom to prepare the fourth round of prime ministers' talks between the South and North are scheduled for Saturday.

In a closed-door meeting, South and North Korea will discuss pending issues in-depth in an effort to bridge the gaps between their positions, the National Unification Board said Friday.

The South insists its basic agreement for improvement of inter-Korean relations and accord on cross-border exchanges in communication, travel and trade be signed first, but the North wants its non-aggression declaration adopted first.

The first working-level on Aug. 5 ended in deadlock.

Vice National Unification Minister Song Han-ho and Yim Tong-won, chancellor of the Foreign Ministry's Institute of Foreign Affairs and National Security, will represent the South.

Paek Nam-chun, director of the Secretariat of the Committee for Peaceful Unification of the Fatherland, and Ambassador-at-Large Choe U-chin will represent the North.

Changing Nuclear Policy on Peninsula Viewed

SK0908033491 Seoul THE KOREA HERALD in English 9 Aug 91 p 2

[the "News Analysis" column by staff reporter Kang Song-chol]

[Text] A significant turning point in efforts to resolve the nuclear question on the Korean peninsula may be in the offing.

Recent developments signal that Seoul and Washington could soon come up with a new policy regarding the Korean nuclear issue.

Seoul has already expressed its willingness to talk directly with North Korea over nuclear nonproliferation on the peninsula.

Some experts have also hinted at the possibility of Seoul's accepting the linkage idea over North Korea's nuclear weapons development program and U.S. nuclear arms allegedly posted in the South.

The expected policy shift is believed to have been high on the agenda during the Seoul-Washington policy consultations talks held in Hawaii this week.

Noteworthy in recent developments is Seoul's increasingly flexible and progressive stance over the nuclear issue, departing from its past defensive position.

The change of attitude may reflect Seoul's recognition of the need to resolve the nuclear issue for a breakthrough in inter-Korean relations, political analysts say.

Seoul's chief policy-makers even appear to think that they can use the nuclear question as a leverage in improving ties between the two Koreas.

First major signs of a policy shift on the part of Seoul and Washington came early last month when President No Tae-u met with U.S. President George Bush in Washington.

The two presidents then were said to have agreed that Seoul would play a leading role in any future negotiations with North Korea on nuclear matters on the Korean peninsula.

No's national security adviser, Kim Chong-hui, said No and Bush agreed on a "leading-supporting role" concept regarding military matters on the peninsula.

Kim's remark was interpreted by many analysts as suggesting that the United States will not have direct, secret negotiations with North Korea and that Seoul should conduct any negotiations with the North.

About a month after the summit, the Seoul government expressed willingness to talk directly with North Korea over the nuclear question.

Such a position will likely be conveyed to the North again in the fourth inter-Korean prime ministers' talks in Pyongyang late this month.

A key factor in Seoul's new policy may be the virtual acceptance of the idea of linking north Korea's nuclear development project with the reputed U.S. nuclear arms in South Korea, say analysts.

Seoul and Washington have been urging the North to open all of its nuclear plants, including nuclear fuel reprocessing facilities, for international on-site inspection without conditions.

The North in return has been calling for the withdrawal of, or similar inspection of U.S. nuclear weapons in the South.

The north has recently again come up with its proposal for a "nuclear-free" Korean peninsula.

Seoul and Washington are expected to retain their position on rejecting the linkage idea, at least officially.

But many analysts believe that they will likely try to have the North understand that the U.S. nuclear arms may be pulled out depending on its attitude over its nuclear weapons development program.

The acceptance of the linkage concept may be out of political considerations to encourage the North to completely give up its plan to produce nuclear arms.

In purely legal terms, the North's opening of its nuclear facilities for international surveillance cannot be related to other matters, as Pyongyang is required to do so as a signatory to the Nuclear Nonproliferation Treaty.

One possible option under consideration by Seoul may be to declare that there exist no U.S. nuclear weapons in the South when the North is judged to have discarded its nuclear development program, according to analysts.

Some reports have said that the United States has already informed the Seoul government of its plan to withdraw its nuclear weapons from the South.

The need to pull U.S. nuclear weapons out of South Korea has been raised recently by politicians and scholars on both sides. They argue that it is no longer necessary to station the arms in the South, considering advancement in arms technology and changes in political situations on and around the Korean peninsula.

Whether the reputed U.S. nuclear weapons are pulled out or not, the U.S. government is expected to maintain its neither-confirm-nor-deny (NCND) policy over the existence.

Officials of the Seoul government have said they also support the NCND policy, reasoning that it would help serve as a deterrent against an armed aggression from the North.

Seoul's new policy on the nuclear issue may be expressed via No's Liberation Day speech Aug. 15 or his speech before the U.N. General Assembly Sept. 24.

U.S. Summit 'Likely' When No Addresses UN

SK0908091691 Seoul YONHAP in English 0751 GMT 9 Aug 91

[Text] Seoul, Aug. 9 (OANA-YONHAP)—A South Korea-U.S. summit is likely during the United Nations General Assembly, where presidents from the two countries will address the United Nations in New York next month, Foreign Minister Yi Sang-ok said Friday.

President No Tae-u may also meet with the Malaysian prime minister and leaders of other friendly nations attending the opening of the General Assembly, lee said.

"Work is under way on the president's U.N. speech, and as he will speak as the chief executive of a new U.N. member, it will contain the president's framework for peace and reunification of the Korean peninsula," he told a news conference.

"The speech has historic significance," the minister said. "President No will suggest South Korea's role within the United Nations."

South Korea will follow two diplomatic directions after becoming a U.N. member, Yi said.

The first will be to contribute to global peace, stability and prosperity in line with the principles of the United Nations.

The second will be to ease tension on the Korean peninsula and bring peace between South and North Korea.

"We hope that through South and North Korea's entering the world body, we will be able to enliven the exchange and cooperation process betweeen Seoul and Pyongyang," he said.

"There have been counselor-level contacts betwen the two sides and other staff members of observer missions."

U.S. Plans 'To Upgrade Relations With North'

SK0908113291 Seoul YONHAP in English 1055 GMT 9 Aug 91

[Text] Seoul, Aug. 9 (OANA-YONHAP)—The United States is planning to upgrade relations with North Korea after Pyongyang joins the United Nations and signs the nuclear safeguards accord, and South Korea does not oppose the move, a Foreign Ministry official said Friday.

Possible U.S. moves would include upgrading the current counselor-level contacts in Beijing to higher-level meetings in New York, the official said.

Seoul and Washington officials closely consulted on security issues on and around the Korean peninsula but did not discuss denuclearization issues during the two-day security talks in Honolulu, the official said.

The official had accompanied Presidential Adviser for Diplomacy and National Security Kim Chong-hwi to Honolulu for consultations on security matters with U.S. officials Aug. 6-7. The Koreans returned Friday.

Denying reports that the talks also covered denuclearization of the Korean peninsula, the official said the two sides focused mostly on reassessing and reaffirming each other's positions on security matters.

Asked whether both sides discussed North Korea's July 30 proposal that Seoul and Pyongyang jointly declare the peninsula a nuclear-free zone, the official said the United States is against such a proposal.

Discussions covered the East Asia Strategic Initiative (EASI) which outlines cutback of U.S. troops stationed in South Korea from 1990 to the year 2000.

Refusing to go into details, the official said the second-phase pullout, covering 1993-1995, will be determined after reviewing the situation at the end of the first-phase.

"Details on the EASI will be made public in due time," said the official, suggesting that they are being kept for President Noh Tae-u to announce in his keynote speech before the United Nations next month.

U.S. participants said the United States would have to consider taking reciprocal steps of relations improvement after North Korea joins the United Nations and signs and implements the nuclear safeguards accord, he said.

Washington is not considering a dramatic move, such as raising the contacts to ambassadorial-level, he said.

South Korea will not oppose such a move, he said.

Students Demonstrate Near Kunsan U.S. Base

SK0908040591 Seoul THE KOREA HERALD in English 9 Aug 91 p 3

[Text] About 300 college students staged an anti-American demonstration near a U.S. air base in Kunsan, Chollabuk-to, yesterday.

No injuries or arrests were reported though some 300 riot policemen were called in to keep them away from the Kunsan air base.

The students, taking up positions 1km from the base's main gate, demanded the withdrawal of U.S. forces from Korea and shouted other anti-American slogans.

The demonstrators belong to a group of dissident students who set out on a "reunification march" in Mokpo Monday.

Students from local schools, including Kunsan University, joined in the demonstration.

Soviet Official Predicts Growth in Trade

SK0908031191 Seoul THE KOREA TIMES in English 9 Aug 91 p 7

[By staff reporter Yim Chae-kwon]

[Text] Korean companies should take into consideration the new business environs forged in the Soviet Union, which are to provide the legal haven for foreign investments, Sergey A. Petrov, the Soviet deputy trade representative in Seoul said.

Petrov explained the Soviet parliament, Supreme Soviet, passed a new law on foreign investment, early last month, which would give foreign investors equal rights with Soviet enterprises. The law rules out the possibility of nationalization of foreign investments in most cases and permits 100 percent foreign participation and hard currency dealings in the Soviet Union.

"We confirm our willingness to create the most favorable conditions for foreign investors," said Petrov, hoping Korean investors start to move. "We have a lot of projects with Koreans, but the majority of them are still on paper."

According to the new legislation, enterprises with foreign investments are exempt from import duties and export taxes. Foreign investors who take more than 15 percent share of a Soviet enterprise can freely participate in the Soviet foreign trade which used to be monopolized by the Ministry of Foreign Trade, Petrov said. More than 20,000 enterprises are registered now as participants of foreign trade, he added.

Petrov came to Korea in September, 1989, when the Soviet Chamber of Commerce and Industry opened in Seoul. He is the first trade official of the USSR appointed to Korea, assuming his new position as deputy representative of the Soviet Trade Representation.

"We are establishing the Soviet Trade Representation which will be an official commercial bureau of Soviet Embassy. We upgraded the form of our representation here." The new Soviet trade body, to be opened this September, is part of the trade agreement Korea signed with the USSR last December.

"We will be able to promote our trade more efficiently, I hope," said Petrov, who is the first secretary.

He said the Korean business community still hesitates to make practical steps toward investment in the Soviet Union. Although some companies are participating in joint venture projects in the Soviet Union like Hyundai Engineering & Construction in Svetlaya timber project, many others are still thinking, he said. "I hope the situation will change in the near future," he said, as Soviet legislators strive to change the makeup of their country's economy to better suit capitalist principles.

The law on priviatization, also created last month, spells out that some 40-50 percent of union-controlled enterprises should be privatized by next year, either sold at market prices or auctioned off. In the middle of this decade, 60-70 percent of union companies would be freed from state control, Petrov explained.

Trade is the most prominent achievement of Korea-Soviet diplomacy, pushing the bilateral product exchange to nearly 900 million dollars last year.

The Soviet exports to Korea jumped 86.9 percent in the first four months this year, compared with the same period last year. Soviets mostly sell metals, coal Chemicals, and some fish to Korea and buy electronic appliances, ships, and many consumer items from Korea.

"Our trade will increase very rapidly, no doubt about that," said Petrov. Even presidents of both countries expressed their readiness to increase two-way trade up to 10 billion dollars by the mid-1990s, said the Soviet diplomat who also attended the summit meeting between President No Tae-u and his counterpart Gorbachev on Cheju-do last April.

The increasing trade between Korea and the USSR is more impressive when compared with the overall trend of Soviet foreign trade which is decreasing now, noted Petrov.

Far Eastern Soviet is one area that is most promising for Korea-Soviet exchange because its abundant natural

resources and its proximity to surrounding nations of China, Japan, and North Korea. According to Petrov, direct flights linking Khabarovsk, north of Vladivostok, and Seoul will commence most likely at the end of this month.

In Moscow, the number of branch offices of major Korean companies is rising.

Petrov said that many Korean companies are sending their employees to his country to get them accustomed to the language and life styles in the Soviet Union. "We are ready to help Korean companies develop Russian specialists."

Petrov is well versed in Korean affairs. He had lived in North Korea for seven years, and speaks Korean fluently. Referring to the North Korean economy, "They have a well-developed economy despite some problems," Petrov said.

Daewoo Sells 200,000 Compressors to USSR Firm

SK0908063791 Seoul YONHAP in English 0539 GMT 9 Aug 91

[Text] Seoul, Aug. 9 (yonhap)—Daewoo Electronics Co. Ltd. has won a contract with Techmash Export of the Soviet Union, a state-run foreign trade organization, for 200,000 refrigerator compressors, a company spokesman said Friday.

Shipment will start next month and Techmash will distribute the compressors to factories across the Soviet Union, he said.

Daewoo exported 50,000 compressors and 10,000 refrigerators to the Soviet Union last year in its first deal and 30,000 compressors and 8,000 freezers in the first half this year.

Trade With Socialist Nations Up 55 Percent

SK0908035091 Seoul THE KOREA TIMES in English 9 Aug 91 p 9

[Text] Trade with socialist nations including the Soviet Union and China stood at 3.7 billion U.S. dollars during the first half of this year, up 55 percent from a year earlier, the Trade-Industry Ministry said yesterday.

Those countries also increased their share of Korea's total trade from 4.2 percent in 1990 to 4.9 percent in the January-June period of this year.

But the trade deficit with the socialist nations was about $200 million, a ministry official said.

The official said exports to China, Poland, Hungary and Vietnam were brisk as were imports from China, the Soviet Union and Poland.

By country, trade with China including indirect trade via Hong Kong has been estimated at $2.5 billion in the first six months of this year, up 59 percent from a year earlier. Cement from China accounted for 94 percent of total cement imports and corn had a 53 percent share of the total. Export items to China were plastic goods, synthetic fabrics and parts.

Trade with the Soviet Union was put at $524 million, up 43 percent. As the commodity-tied loan has yet to be financed, exports showed a meager increase. Import items are mostly marine products and metals.

Trade with Eastern European countries increased 48 percent to $492 million. The trade balance with those nations was $286 million in the black. Major export items are color TV sets, video tape recorders, passenger cars and textile products.

Trade with Vietnam jumped 62 percent to $89 million thanks to brisk exports of compound fertilizers, fabrics, steel products and textile processing machinery.

Lucky-Goldstar Sobsidiary Wins Brunei Contract

SK0908050991 Seoul YONHAP in English 0221 GMT 9 Aug 91

[Text] Seoul, Aug. 9 (YONHAP)—Gold-Star Tele-Electric Installations Co. Ltd., a subsidiary of the Lucky-Goldstar Group of South Korea, has won a 17 million U.S. dollar order to lay communication lines from the Javatan Telekom Brunei (JTB), a company spokesman said Friday.

In an open bid against companies from Korea, Japan, Britain and Sweden, Gold-Star won the turn-key contract to install 56,433 cables and service wires in three areas in 17 months, the first of its kind for a Korean telecommunications company.

Gold-Star is to form a consortium with the Korea Telecom Authorities International for the project, the spokesman said.

Brazilian Minister Says Visit 'Turning Point'

SK0908090691 Seoul YONHAP in English 0849 GMT 9 Aug 91

[Text] Seoul, Aug. 9 (OANA-YONHAP)—Brazilian Foreign Minister Francisco Rezek on Friday called his visit to South Korea a turning point in Seoul-Brasilia economic relations and urged close cooperation in combining advantages, such as Brazil's rich natural resources and South Korea's commercial skills.

Bilateral trade amounted to 800 million U.S. dollars last year despite a lack of active promotion by the two governments, said Rezek, who arrived Wednesday for a four-day visit.

Korean Foreign Minister Yi Sang-ok signed an agreement on science and technology cooperation with Rezek Thursday for information exchange and establishment of a joint commission to oversee cooperation projects.

"The South Korean economic progress is a miracle that was based purely on civilian achievement," Rezek told [as received] in a news conference.

"We hope to start negotiations on a bilateral aviation pact next week and conclude it within this year. This will be a good start to increasing civilian exchange between the two countries and also good news for the nearly 50,000 Korean residents in Brazil," he said.

Private-level negotiations are currently under way between the two countries on steel production and port facility construction, Rezek said, naming these as the most promising joint ventures.

No, Kim Yong-sam To Delay Candidate Discussions

SK0908115191 Seoul YONHAP in English 1038 GMT 9 Aug 91

[Text] Seoul, Aug. 9 (YONHAP)—President No Tae-u and Executive Chairman Kim Yong-sam of the ruling Democratic Liberal Party (DLP) agreed on Friday not to discuss political timetable covering the ruling party's presidential candidate until the end of the year, said Son Chu-hwan, senior presidential secretary for political affairs.

"Unnecessary debate over political timetable must not take place until the end of the year in order for our nation to actively cope with rapidly changing international situation and intensifying economic warfare," No, who is concurrently head of the ruling party, was quoted by Son as saying.

The president asked the government party not to inconvenience people by engaging in unnecessary debate over political schedule, Son said.

In response, Kim said he would make efforts to get the party to honor the will of the president, Son said.

The meeting, held in the presidential office, followed reports of intra-party feud with Kim and his followers insisting the ruling party choose presidential nominee before general elections expected early next year, while other factions of the party opposed to it. [sentence as received]

After being briefed on party affairs, No told Kim the party should make full-fledged preparation for forthcoming regular session of the National Assembly, Son said.

Kim expressed willingness to accompany No on the president's visit to the United Nations to address the U.N. General Assembly in September, Son said. No invited Kim and opposition leader Kim Tae-chung weeks ago to join him in his visit to the world organization.

Brunei, Malaysia & Singapore

Malaysia

Tin Producers To 'Closely' Monitor U.S. Sales

BK0908065391 Kuala Lumpur BERNAMA in English 0306 GMT 9 Aug 91

[Text] Kuala Lumpur, Aug 9 (OANA/BERNAMA)—The Association of Tin Producing Countries [ATPC] feels that any major disposal of tin by the United States National Defence Stockpile at a time when the market is still burdened with a large stock overhang will depress the already depressed prices and delay the market's return to normalcy.

ATPC Executive Secretary Redzwan Sumun told BERNAMA here that the ATPC would monitor very closely the Pentagon's proposal to sell U.S $4.8 billion of commodities, including tin, as part of a plan to reduce the stockpile's size by 40 per cent following the end of the Cold War.

The U.S Senate Armed Services Committee is reportedly pushing for even bigger sales from the stockpile which had been stored for decades for use in case of a Soviet attack.

"Any large disposals at this juncture will clobber the market, so how much it sells off will make a big difference .....We will keep an eye on developments and if it is deemed necessary, we will advise individual member governments to institute talks with the U.S.," Redzwan added.

He said as far as the ATPC was concerned, any large-scale disposals from any source at a time when the market was still burdened by large overhanging stocks would delay the market's return to normalcy.

"My estimate is that the overhang, under the present sixth Supply Rationalisation Scheme [SRS], has been reduced to some 42,000 tonnes as at the end of last month, from the last official count of 44,700 tonnes reported in March," he added.

The overhang in world tin stocks was estimated at 79,000 tonnes on March 1, 1987, the day the ATPC implemented its first SRS to reduce the overhang by controlling production of its seven member countries—Malaysia, Indonesia, Thailand, Bolivia, Australia, Zaire and Nigeria—which together account for more than half of the world's tin output. The market will be deemed to have returned to normalcy when stocks are depleted to about 20,000 tonnes.

Redzwan said the U.S. had been disposing its stockpiled tin—estimated to total about 170,000 tonnes at present—without a break for the past 10 years and the amount varied between 3,000 tonnes and 6,000 tonnes a year.

"We just hope it will be sensible and pragmatic in its disposal programme as any large disposal at this juncture will derail the Supply Rationalisation Scheme since tin is a low-volume commodity," he said, adding that tin requirements totalled some 180,000 tonnes a year in non-communist countries.

Asked whether the recent closure of Brazil's Bom Futuro Garimpo mines by local and federal authorities on environmental grounds would have any impact on the market, Redzwan said: "The impact will not be felt in the immediate term."

"However, provided the mines, which were estimated to produce 17,000 tonnes last year, do not restart, the closure will hasten he depletion of the world overhanging stocks and thus the market's return to normalcy," he added.

Under such circumstances, the sixth SRS—if the ATPC ministerial conference to be held in Canberra from Oct 2 to 23 decides to extend the scheme for another year—would not have to be extended for a 12-month period, Redzwan added.

"With the lower production by Brazil, now the world's largest producer, the scheme need not have to be enforced for the whole 12-month period...maybe for six or seven months will do," he said.

He estimated the output of Brazil, which has been given a quota of 39,000 tonnes for 1991, to decline to about 30,000 this year, from 40,000 tonnes last year, with the closure.

He said the ministerial conference in Canberra, which would be preceded by the ATPC executive committee meeting from Oct 15-18, would be a crucial one for the industry as it would have to decide whether the present SRS expiring at the end of this year would have to be extended for another year.

"By necessity, it has to be extended for a full year as by the end of next year, the situation is expected to return to almost normal," he said.

Redzwan said he expected prices to improve to about $18 to $20 [currency not given] per kg when the market is almost back to normal.

He said prices, which had been struggling to keep above the $15-level over the past two to three weeks, were expected to remain sluggish over the next two months until September when the Europeans and Americans returned from their summer holidays.

'Scepticism' Expressed Over Exercises With U.S.

BK0808113191 Singapore THE STRAITS TIMES in English 7 Aug 91 p 18

[Text] Malaysia and Indonesia have expressed "scepticism" over the prospect of multi-lateral exercises with the United States, THE STAR newspaper reported on Tuesday.

It quoted the Malaysian Armed Forces High Command chief, Lieutenant General Datuk Abdul Rahman Abdul Hamid, as saying that Malaysia would have to develop its own procedures and system before considering such a proposal.

He was responding to a US call to expand military exercises with ASEAN members to enable the grouping "to work together", the newspaper said.

According to THE STAR, the proposal was made by a congressional team which visited Singapore last year.

"We also have to consider our own assets and resources before we consider such move," Gen. Abdul Rahman was quoted as saying.

He was speaking to reporters on Monday after witnessing the first joint airborne exercise between Indonesia and Malaysia during the Dasasar Malindo Exercise at Kuala Sedili, about 80 kilometers from Johor Baru.

Gen. Abdul Rahman was reported to have said that what was most important now was for Malaysian army to adapt to their "procedures" first.

"Only then we will be able to operate or train together especially with another foreign country like the United States," THE STAR quoted him as saying.

Gen. Abdul Rahim's Indonesian counterpart, Vice Admiral Sudibyo Roharjo, said that Indonesia would have to study the situation first before entering into such an exercise.

"First of all, we have to plan the kind of exercise we want to conduct with another foreign country.

"There will be a number of factors involved in the planning," THE STAR quoted the Indonesian army chief as saying. It did not elaborate.

Sutrisno Closes Military Exercise in Johor

BK0908153691 Kuala Lumpur Radio Malaysia Network in Malay 1430 GMT 9 Aug 91

[Text] Bilateral military cooperation between fellow ASEAN members is very important even though ASEAN is not inclined toward a defense or military pact. General Tan Sri Sutrisno, commander of the Armed Forces of the Republic of Indonesia, says such on-going cooperation, especially between Malaysia and Indonesia, should be further developed to ensure regional resilience. He was speaking in Johor Baharu when closing the joint exercise codenamed "Malindo Darsasa 3-AB" at the Army Training Center at Ulu Tiram. He said that regional resilience will ensure peace in Southeast Asia in line with the ASEAN objective of ensuring stability, peace, and freedom in the region.

Gen. Tan Sri Sutrisno said that the ASEAN countries should not be complacent about ensuring their respective national resilience despite the relaxation of tension between the two superpowers. The ASEAN countries should instead be consistently vigilant enough to ensure their respective national resilience because such a condition will ensure regional resilience.

Mahathir Reaffirms Support Against Apartheid

BK0908043691 Kuala Lumpur BERNAMA in English 0315 GMT 9 Aug 91

[Text] Kuala Lumpur, Aug 9 (OANA/BERNAMA)—Malaysian Prime Minister Dr. Mahathir Mohamed has conveyed a message to South African leader Nelson Mandela, reiterating Malaysia's continuing and unwavering support for an early and complete dismantling of apartheid in South Africa.

The message was conveyed by his special envoy, former foreign minister Ghazali Shafie, who met Mandela in Rio de Janeiro last Tuesday during the latter's visit to Brazil, a Foreign Ministry statement said Friday.

The message, among other things, also stated "Malaysia's readiness to contribute material and other assistance in the future development of a democratic, united and apartheid-free South Africa", it added.

A staunch anti-apartheid nation, Malaysia has taken a visible stance on the return of Pretoria to black majority rule.

Last November, the prime minister hosted Mandela's visit to Malaysia. The black African leader was later elected president of the African National Congress (ANC).

Singapore

ANC's Sisulu Ends Visit, Leaves for Australia

BK0908144691 Singapore Singapore Broadcasting Corporation in English 1400 GMT 9 Aug 91

[Text] The deputy president of the African National Congress [ANC], Mr. Walter Sisulu, says the unity and harmony in a multiracial Singapore is an example for South Africa to learn from. Speaking at a news conference to wind up his three-day visit to Singapore, he said such unity had brought about political stability and economic growth in Singapore.

Mr. Sisulu was here at the invitation of the foreign minister, Mr. Wong Kan Seng. He also met the prime minister, Mr. Goh Chok Tong.

Mr. Sisulu said his discussions with Mr. Goh were characterized by the desire of both Singapore and the African National Congress to bring about the speediest (?termination) to apartheid in South Africa. He has left for Australia.

Armed Forces Activates Mobilization Exercise

BK0908090891 Kuala Lumpur BERNAMA in English 0806 GMT 9 Aug 91

[Text] Singapore, Aug 9 (OANA-BERNAMA)—The Singapore Armed Forces (SAF) Thursday activated an open mobilisation exercise which involved battle tanks for the first time.

The exercise was activated via repeated announcements over radio and the insertion of call-up notices on television and in cinemas from 5.30 PM local time [0930 GMT].

The 406th Singapore armoured regiment, which operates the AMX 13 SM1 tanks, was one of several SAF military units called up in the mobilisation exercise.

The reservists mobilisation exercise was described by a reservist officer as a good move to test their readiness on the eve of a long national day weekend holiday.

A reservist was quoted as saying that the exercise would demonstrate that Singaporeans were vigilant and ready to serve the country at all times.

Editorial Discusses Groundwork for Elections

BK0908102191 Singapore THE STRAITS TIMES in English 8 Aug 91 p 28

[Editorial: "A Step To The Next Lap"]

[Text] With speculation about an early general election in the air recently, Prime Minister Goh Chok Tong's disclosure last Sunday [4 Aug] that it would indeed be held "way before" the end-1993 deadline has come as no great surprise to many. Of course, Mr Goh had said after the 1988 poll that he planned to have the new Parliament sit for the full five-year term, something unprecedented in Singapore history. The longest Parliament has sat between general elections is four years and seven months, the shortest just a day short of four years. But conditions change and Mr Goh, and his advisers, obviously feel that it is unnecessary, perhaps even unwise, to put the polls off till the mandated expiry of the present Parliament. And, as virtually everyone has noted, the current situation certainly looks ideal for the ruling People's Action Party [PAP]—quite apart from the chronic disarray and unpreparedness of the opposition parties.

The economy is purring along nicely, at a rate that is higher than can be expected to last for much longer, but not so high that labour shortages and high wages are squeezing the numerically significant small employers who might be inclined to take it out on the PAP when they are hurting. The cost of living, a hot topic not long ago, has lost much of its bite now that most of the increases in public fees and charges have been announced and implemented. Similarly the initial unhappiness over the car quota scheme now that the Government has yielded to public criticism and agreed to try out non-transferable certificates of entitlement for a year. In education, fears over the unaffordability of independent schools appear to have died down and the clamour for more places for higher education has been dampened with the announcement that a fourth polytechnic and an open university are on the way. The government has also deflected somewhat rising medical costs as an issue by its recent assurances on continued subsidies and Mr Goh's announcement that he was considering an endowment fund to top up Medisave accounts of the needy.

The mood is sweet over the intangibles too. Malays who were unhappy with the Government at the last election have been reassured by its demonstrations since of continued support for the community's aspirations while Indians who were chagrined because they thought they deserved similar help are presumably pleased by the Government's support for their newly-established self-help organisation, the Singapore Indian Development Association. The majority Chinese population too has been soothed by an unprecedented degree of attention to their concerns, especially over language and culture, and assurances that the government cares as much for the welfare of the Chinese poor as for minority poor. In non-racial terms, the desire of younger, English-educated Singaporeans for a more relaxed regimen has been accommodated by a liberalisation of film censorship, balanced by promises to older or more conservative citizens that this can be moderated if that is what they want.

In setting himself the full-term target in 1988, Mr Goh spoke of needing the time to forge a new working relationship with the people of Singapore. It is clear now that, in true PAP style, he had been unduly cautious. Although former Prime Minister Lee Kuan Yew remains in the Cabinet and plays an important role, Mr Goh has succeeded in putting his own distinctive stamp and, to a lesser extent, agenda, on Singapore in his mere eight months at the helm. So the election is not merely a question of getting the people's mandate for the policies of the next few years. It is also to measure public approval of Mr Goh personally, to confirm that the Cabinet's choice of Mr Goh as Prime Minister is also the people's choice. That would mark the crossing of another threshold in the political transition in Singapore, signifying that the nation has truly moved on to the Next Lap.

Cambodia

Foreign Minister Receives U.S. Delegation

BK0908024091 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 2300 GMT 8 Aug 91

[Text] At 1630 on 7 August, Comrade Hor Namhong, foreign minister of the State of Cambodia [SOC], received a six-man delegation of the U.S. Congress led by Democratic Congressman Thomas Carper.

During the meeting, Comrade Hor Namhong gave a warm welcome to the delegation and thanked the guests for making tireless efforts to make this visit to Cambodia. He informed the guests of the developments in the process toward a solution to the Cambodian problem carried out from the end of 1987 to date and particularly the final results of the Supreme National Council [SNC] meetings in Phatthaya and Beijing.

The comrade minister said that many countries welcomed and hailed the success and good results of the SNC meetings, adding however that some countries were worried that a Cambodian solution might be reached without the UN peace plan. Regarding this worry, Comrade Hor Namhong pointed out that it was a choice between whether it was better to leave the Cambodian problem in a deadlock and allow the war to drag on, thus causing more suffering to the Cambodian people, or to gradually settle the Cambodian problem through voluntarily reaching agreements on the cease-fire and cessation of military aid. The comrade said that what the United Nations wanted was peace in Cambodia and that as a matter of fact, all Cambodian factions were party to this peace process. Therefore, the rapid development toward a Cambodian solution in this latest stage was not a process isolated from the framework of the UN peace plan.

The comrade minister expressed the hope that the coming SNC meeting in Bangkok would achieve more success and that the three remaining questions—regarding genocide, the military, and respect for Cambodia's sovereignty—would be settled.

The comrade minister stressed that the most important issue was how to enable the general election to proceed in a fair, (?free), and democratic manner. He added that the SOC side would try its best to break through the deadlock, adding that the SOC would make as many concessions as it could but would not allow the genocidal regime to return to Cambodia.

The comrade minister said that maintaining the Armed Forces and status quo was one of the concrete measures to prevent the return of the genocidal regime. He also expressed his elation over the news that at the coming Paris conference, the United States and other countries would announce their resolution to check and oppose the genocidal regime's return to Cambodia.

The comrade minister also clearly answered many questions raised by each member of the delegation, such as the questions related to U.S.-Cambodian relations, repatriation of Cambodian refugees, and U.S. MIA's [missing in action] in Cambodia.

In conclusion, Thomas Carper highly valued the SOC's market economy and expressed deep thanks to the comrade minister for giving an explanation to the delegation on the SOC's clear and goodwilled stance regarding the search for a Cambodian solution and Cambodian-U.S. relations.

The meeting proceeded for more than an hour in an atmosphere of profound understanding and intimacy.

KPNLF Secretary General Ieng Muli Interviewed

BK0808120791 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 8 Aug 91

[Interview granted "over the weekend" by Ieng Muli, Khmer People's National Liberation Front secretary general and Supreme National Council member, to station editor Pol Ham—recorded]

[Text] [Pol Ham] I, representative of the Voice of the Khmer [VOK], would like to pay homage to His Excellency Ieng Muli, secretary general of the Executive Committee of the Khmer People's National Liberation Front [KPNLF] and member of the Supreme National Council [SNC] of Cambodia. First of all, I would like to thank the secretary general for allowing me to make this interview to be broadcast for the information of our listeners.

The first question that I would like to ask is as follows: Our VOK newsroom has learned of frequent cease-fire violations since the signing at the Phatthaya meeting of the agreement to stop fighting. Can you tell of any good measures to prevent the violations of the already agreed-upon cease-fire?

[Ieng Muli] First of all allow me to say hello to Mr. Pol Ham, editor of the VOK, and to pay my respects to venerable monks and beloved compatriots who are listening to my interview at this moment. Concerning your first question, allow me to recall the outcome of our SNC talks in Phatthaya and in Beijing. As the venerable monks and beloved compatriots have already known, the results made both in Phatthaya and Beijing are most satisfying to our compatriots throughout the country and to the entire international community, especially the Big Five [five permanent members of the UN Security Council] and other countries that want to see our country delivered from the sufferings of the protracted war and to see foreign troops leave our country so that we can have a chance to restore our nation. This is a most satisfying outcome recognized by all of us and the world. However, since the decisions in Beijing, many deplorable developments, that is, many truce violations have taken place. I do not understand why the cease-fire was violated.

The most important, the most serious violation was made against the region controlled by our KPNLF. On 23 July 1991 the Armed Forces of the Phnom Penh faction attacked and captured some of our villages. But thanks to the efforts, the courageous and resolute struggle of our Khmer People's National Liberation Army whose mission was to defend the lives and property of the Khmer people and the freedom of our compatriots living in the region under our control, we succeeded in retaking all the captured villages. This invites us take a closer look at the prevailing situation on the battlefield in our country. The fact that Hun Sen, Tie

Banh, and others had agreed with us to announce the cease-fire and yet such violations still took place has caused us to wonder who really is in control, who really is responsible in Cambodia at present. Is it Hun Sen, Heng Samrin, Tie Banh, or anyone else? This is most interesting to know whether the Vietnamese still remain in Cambodia. Vietnam has refused to respect the cease-fire agreed upon by the Cambodian factions and, according to the information that we have, Vietnamese troops continue to be present in our country and most of the attacks have been either ordered or initiated by the Vietnamese troops themselves.

I, therefore, would like to take today's opportunity to express regrets as the other side has failed to abide by the cease-fire promise made by all parties both in Phatthaya and Beijing. This is my first observation.

As for my second observation, it is about the stated allegations that we do not control any territory and that we do not have any real positions inside Cambodia. According to their propaganda, our KPNLF has footholds only in foreign territory along the border. This, in fact, shows that they refuse to accept that we are fighters, that we are the masters of the country, and that we have made our presence felt everywhere inside Cambodia. The most important thing is that we are beginning to build and develop the areas currently under our control and we are implementing programs of assistance for our people who now enjoy some sort of security. It seems that this has angered the other side, leading it to attack and disturb the peaceful existence of our population in the liberated zone.

Therefore, at this juncture we would like to propose that the United Nations dispatch such a monitoring mission as soon as possible in order to take appropriate steps to send forces in the form of a military UNTAC [UN Transitional Authority in Cambodia] to ensure respect for the cease-fire. Any delay in doing so can only worsen the violation problem and lead toward another outbreak of war which would bring nothing but suffering to our population and nation. Also in this connection, I would like to stress that we have already sent our protest notes to the United Nations, to the UN secretary general, to Samdech Norodom Sihanouk, to Hun Sen, to Tie Banh, and to other members of the SNC in Phnom Penh asking them to help provide us with an answer as to why the Phnom Penh forces have violated the cease-fire and tried to grab our territory. So far, only the United Nations and Samdech Norodom Sihanouk, who is the chairman of the SNC, have answered our question. As far as Hun Sen—who is one of those responsible—is concerned, we have not yet received any clarifications at all.

On this topic, I would like to say that the best thing to prevent cease-fire violations is first of all the goodwill of all Cambodian factions. If the Cambodian factions do not show goodwill in this respect, even with the arrival of the United Nations we will still have difficulties. On the contrary, all of us support the establishment of the Phnom Penh-proposed military commission of the SNC to help control this matter. Although the said commission has not yet taken shape and although our KPNLF side has fully supported the initiative, in order to enable this Military Commission of the SNC to function, we must also see the goodwill of the other side—namely, of the Phnom Penh side. If we have any problems concerning violations, we could have talked to each other, we could have contacted each other right now either by telephone or by fax. However, so far, no answer has been received from Phnom Penh. For this reason, we can assume that maybe there is some problem in Phnom Penh, for they have not even acknowledged our letter asking them about and informing them of the violations of the cease-fire.

I would like to sum up my answer to your question: How can we prevent violations. First, we must have as many UN forces as possible and must send them as soon as possible to supervise the cease-fire. No one would make any protest if there is the presence of international forces in Cambodia. Second, all Cambodian factions must also have the goodwill. They must not write one thing and then implement another thing altogether. Such an action can only sour the good atmosphere that is inspiring our nation and people with high hopes. This is what I want to reiterate, and I would like to appeal to the Cambodian faction that has claimed to be responsible for the fate of our nation to ponder hard that violating the cease- fire, provoking another outbreak of war, continuing the war, and maintaining the presence of foreign troops in our territory is not beneficial to our nation. As a responsible official in the ranks of the KPNLF whose mission is to fight to liberate the nation, I absolutely would not permit such actions to continue.

[Pol Ham] Thank you, Mr. Secretary General. My second question concerns the repatriation of Cambodian citizens currently living in Thailand and in the Thai-Cambodian border areas. The VOK newsroom has learned that all these people might be completely repatriated within nine months. Would you please inform our listeners that such a repatriation might be possible even before there is any comprehensive solution to the Cambodian problem?

[Ieng Muli] Concerning this question, I am certain that our compatriots who have been compelled to live along the Cambodian-Thai border and in other places outside their motherland for more than 10 years now would be most delighted at the prospect of returning soon to their country. However, all of us must consider the fact that repatriation should be within the framework of the overall solution to our country's problem. We cannot return home when foreign troops still remain in the country, when there is no real security yet, when there is no full freedom for our compatriots—the masters of the country—to travel around at will. For this reason, in my personal view, I welcome the plans that are being made by both the United Nations and other friendly authorities in preparing for our compatriots along the border to be repatriated. I am glad to see that concrete measures are being taken to that effect. However, whether it will be

six months or nine months I cannot tell because it is merely a technical matter. It is technical because to my knowledge there are a total of 350,000 Cambodian people living along the Cambodian-Thai border at present and it is not possible to move more than 10,000 persons into the country per week. Thus we need at least 35 weeks to repatriate all of our compatriots. So, whether it will be six months or nine months I cannot tell you as it is just a technical matter. It is up to the United Nations and the authorities responsible for the repatriation question.

One thing I want to tell my compatriots and our venerable monks is that the repatriation of our compatriots must be made only when there is a solution to the Cambodian problem, only when there is an agreement that may enable us to draw the conclusion that our country is going to have real peace, that our repatriated citizens are going to fully enjoy rights and freedoms as full-fledged citizens of the country. Only then will we decide to repatriate our brothers and sisters. If we return them home before a political solution, it could only be a factor for them to flee back to the border again, which would become a burden for the international organizations and the neighboring states, especially the Kingdom of Thailand. I therefore would like to stress that I welcome all the plans to repatriate the Cambodian people. Whether it is within six months or nine months, it is only a technical matter that is up to those who are in charge of the problem. What is sure is that the repatriation will be carried out only when we see that there is real peace or, in other words, when there is an agreement at the Paris conference signed by all parties concerned. Only then will we start repatriating our people.

[Pol Ham] Thank you, Mr. Secretary General. The last question is about the remaining issues to be settled. At the Beijing meeting, the SNC of Cambodia decided to hold its next session on 26, 27, and 28 August. Would you please inform the Cambodian compatriots of the issues remaining to be settled? How would they be settled in order to bring about a final comprehensive solution to the Cambodian problem?

[Ieng Muli] Concerning the remaining issues, in fact, our compatriots have already known that the resistance has accepted all of them without asking for any changes to the peace plan of the five permanent members of the UN Security Council. However, the Phnom Penh faction, that is, the Hun Sen side has not yet announced, as we have, that they would fully accept the draft agreement known as the 26 Novemember 1990 document. We can thus clearly see the problem now. What remains to be settled is that the other side has not yet accepted, as we have, the draft agreement dated 26 November 1990. However, we heard both in Phatthaya and recently in Beijing that the Hun Sen faction agreed to accept the Big-Five peace plan called the framework document—that is, the document dated 28 August 1990. As for us in the resistance, we have accepted both of them fully, without alterations. Phnom Penh has said that they accept the first document, called the framework document, also fully without alterations. However, the other document coming after the framework document—a document that I just called draft agreement dated 26 November 1990—has not been accepted by Phnom Penh yet. The problem remains there. If the other side accepts it, the remaining problem will be over. Now, according to information I have received, Phnom Penh said there are three remaining issues. Actually, these issues have been discussed since Jakarta. They are: first, the human rights issue that the other side calls genocide; second, the military issue; and third, the issue on the relations between the United Nations and the SNC.

If we closely examine these issues according to the so-called memorandum sent by Phnom Penh, Vietnam, and Laos to the Big Five in November 1990, we would see that although Phnom Penh had said that it fully accepted the 28 August framework document, the reasoning of Vietnam, Laos, and the Phnom Penh faction remains totally opposed to the Big Five peace plan. I am not going to elaborate on this point now. Let us just say that Phnom Penh has already accepted it.

One thing about the human rights issue that we and our people wish to see realized is that the future government of Cambodia will strictly respect human rights and clearly understand that our citizens are not a tool of the party that can be led and made to work like animals. In the current oppressive rule, the citizens have barely anything to eat whereas those wielding powers have more than they need and even have money in foreign bank accounts. Such a phenomenon must be examined. Human rights means that our citizens must be given the right to express themselves and the right to speak out. These are what we want. If Mr. Hun Sen can pull off all these things it would be great. For example, it would be great if only he authorizes human rights organizations to visit political prisoners in the jails. And it would serve the cause of human rights even better if he goes as far as to release political prisoners. Most of the time people outwardly say they respect human rights, but when they arrest a person, they do not send him to the court but straight to the gallows, and yet they claim to be respecting human rights. This is not a good thing to do. Therefore, concerning the human rights issue, it is important that human rights be really respected in Cambodia. If they are, no genocidal regime can return to Cambodia.

On the military issue, the Phnom Penh regime often claims that should all forces be disarmed there would be a possibility for the Khmer Rouge to unearth hidden arms and start fighting and massacring the people again. On our side, we see that the disarmament would serve to stop the bloodshed instead. Why? This is because should all parties agree to be disarmed, anyone who remains armed would be seen as guilty and would be disarmed by the supervisory transitional authority. If we say that all have the right to be armed, the transitional authority would never see who violates the rule. This is a very important point. If all are disarmed, anyone with arms

can be found guilty and can thus be disarmed. If we let everyone be armed, there would be both legally armed persons and illegally armed persons who get their weapons from arms caches. Therefore, if the Phnom Penh side accepts the principle that all must be disarmed and we start discussing ways to prevent anyone from unearthing arms to resume the fighting, it would be a good method to prevent violations of the agreement. We need thus to talk more about this issue. However, I am of the opinion that no one can stop the fighting even with repeated assurances of his desire to stop it if he keeps allowing the fighters to remain armed. Can it be that disarming would have affected the interests of any party involved in the Cambodian problem, especially a foreign party? This is what we want to know. Just to hear them say, all of them seem to want so badly to prevent the return of the genocidal regime. For the past 12 years, has anyone succeeded in doing so at all? No. It is for this reason that we need to talk and find out a political solution, and in this political solution we believe that if everyone agrees to be disarmed, it would be a great show of goodwill. If all Cambodians come to agree with each other, the job of the international community would certainly be much easier and our people can hope to enjoy peace in the future.

Concerning the fear that some people would clandestinely unearth arms and use them to start fighting again, I would like to present my personal view as follows: From personal observation, you can ask all Cambodian people—the poor, the peasants, and the workers—and you would see that no one wants the war in Cambodia to continue. Therefore, if encouraged by the general atmosphere, both international and internal, all sides unanimously agree to stop fighting, I do not believe that there would be any combatant who would dig up hidden arms and resume the attrition war against his own nation. From another angle, we can see that it is those who insist on keeping the arms who want to resume the war and prolong the sufferings of our people. According to my general observation, I can say that no Cambodians want to carry on the war and the killing if they know that peace is at hand, if they know that there are now international forces coming in to act as referees, as organizers of peace, as builders of a neutral atmosphere conducive to the election of a new government.

There are still many complex issues to be discussed, though. But concerning the questions of national sovereignty and so on, all of us have already agreed that the SNC with Samdech Norodom Sihanouk as chairman is their symbol. If the United Nations comes to Cambodia, it will come at our request. It will not come to interfere or to bully us. This question will also be discussed at the upcoming SNC session.

[Pol Ham] Thank you. Do you have anything else to say to the venerable monks and Cambodian compatriots in Cambodia?

[Ieng Muli] I would like to bring up some views before concluding. If we Cambodians reconcile with one another, we can find a formula that would bring peace back to the country. This peace is what all of us want as it is needed for us to rebuild the nation and to alleviate the misery of the people in the countryside and the petty functionaries. This peace will soon help to improve their difficult lot. However, I believe that we cannot solve this prob'em between Cambodians alone since our problem involves many foreign countries and foreign powers. This is why we need the United Nations, the Big Five to come and help us out. For one thing, we need their assistance to build peace because of the complex issues as I just told you and, for another, we need their assistance to rebuild our country. We are like a man who is bleeding constantly. We need an infusion of outside blood to revive ourselves so that we can engage in development work. We just cannot do anything without the help of the international community, like the Big Five, and the countries that have always assisted us, like the ASEAN countries that have always helped us in our national liberation struggle. I believe that once we achieve national reconciliation, we will not forget to ask those countries, those friends that have helped us in the past to continue helping us until we achieve happiness and success in bringing about prosperity and glory in the future.

Indonesia

Suharto Meets With Japanese Advisory Panel

OW0808162191 Tokyo KYODO in English 1044 GMT 8 Aug 91

[Text] Jakarta, Aug. 8 (KYODO)—Four members of a Japanese Government advisory panel met Indonesian President Suharto on Thursday to ask his views on the kind of international role Japan should play in the future, particularly in the economic sphere.

Kazuo Inamori, who heads the group, told reporters, "we want to see for ourselves the results of (Japan's) economic cooperation (with Indonesia)." He gave no details on the talks with Suharto.

The advisors are members of a subcommittee of the ad hoc Council on Administrative Reform, an advisory body to Prime Minister Toshiki Kaifu. The "Japan and the world" subcommittee studies Japan's role in the international community, especially economic aid.

Official Remarks on Benefits of PRC Cooperation

BK0808125491 Jakarta ANTARA in English 1111 GMT 8 Aug 91

[Text] Jakarta, Aug 08 (OANA-ANTARA)—Cooperation between Indonesia and China should benefit businessmen of both countries without harming the interest of certain business groups in one of the two nations, deputy chairman of the Indonesian Chamber of Commerce and Industry (Kadin) Aburizal Bakrie told the press here Thursday.

An Indonesian industry entering China should not kill similar industry in that country. On the other hand, a Chinese good exported to Indonesia should not kill similar products in Indonesia either, he added.

Aburizal Bakrie who is also president director of Bakrie Brothers was speaking to the press after receiving Cui Yushan, vice chairman of the China Council for Promotion of International Trade [CCPIT].

They met to discuss three main issues on trade and industry, export and import as well as joint-venture businesses in both countries.

According to Bakrie, Cui Yushan told him the importance of cooperation between China's businessmen and Indonesian indigeneous entrepreneurs, saying china is thinking of a long-term cooperation with them.

Indonesia and China have great raw materials which the two states could trade each other.

Businessmen of both countries are expected to establish joint- venture businesses in agro-industry, fertilizers, palm oil and in other fields whose raw materials are available in Indonesia.

Products of joint-venture businesses between the countries are expected to be exported to Japan, Korea, the United States and Europe.

"We hope technology from China which could be used to produce low cost goods," said Bakrie adding that they also discussed forest- based industry such as pulp which has a lot of raw materials in Indonesia.

Cui Yushan who is visiting Indonesia for the third time has also held talks with a number of businessmen and Jakarta Governor Wijogo Atmodarminto.

The Chinese official during his 10-day visit in Indonesia is also scheduled to observe a trade fair in Surabaya, East Java.

Spokesman on Calls To Investigate Private Funds

BK0808140491 Hong Kong AFP in English 1350 GMT 8 Aug 91

[Text] Jakarta, Aug 8 (AFP)—Indonesia rejected Thursday calls by legislators to investigate a report that up to 76 billion dollars of private Indonesian funds are deposited in Singapore.

"The government seriously doubts that the value is as high as that" and does see any need to launch an investigation, ANTARA news agency quoted the Finance Ministry's chief spokesman, Bacelius Ruru, as saying.

Ruru acknowledged that some Indonesian funds were deposited abroad, but said this was a consequence of the government's policy to allow free flow of foreign currency.

Legislators last week urged the government to investigate a claim by Christianto Wibisono, a prominent business consultant here, that Indonesians owned an estimated 76 billion dollars worth of Asian Currency Unit (ACU) funds in Singapore.

Wibisono said the figure came from a recent study by the Singapore office of U.S.-based consultancy firm A.T. Kearney, which said that most ACU funds in non-bank financial institutions in the island state belonged to Indonesians.

The figure is three times the Indonesian Government's annual expenditure and far exceeds the country's total foreign debt of 45 billion dollars.

MP Alberson Sihaloho said the government should publish the names of the owners of the funds, unless they brought the money back to the country, and accused them of "lacking in patriotism."

Indonesian Finance Minister Johannes Sumarlin declined to comment on the report, but said Thursday that the press should be cautious about referring to the figure.

"The size and origin of these funds have to do with banking secrecy, so only the Singaporean monetary authorities are in a position to give an explanation," Sumarlin said.

Indonesia has defended its free foreign exchange policy as vital for attracting private foreign investment.

The measure has in the past has allowed massive flights of capital at times of economic crisis, further destabilising the monetary situation.

A.T. Kearney Vice President Alberto Lapuz, in a statement received here Thursday, denied suggestions that Indonesian ownership of 41 percent of ACU deposits in Singapore represented a capital flight, since some of the funds were recycled back to the country of origin.

"Almost an equivalent amount of money that exits Indonesia as ACUs is recycled back into Indonesia as loans that support the nation's development," Lapuz said.

He said it was normal for a country to keep a portion of its wealth offshore, adding that the Indonesian funds deposited as ACUs "are in proportion to the size of the country's economy."

Philippine Ships Captured for Illegal Fishing

BK0808124491 Jakarta ANTARA in English 1116 GMT 8 Aug 91

[Text] Manado (North Sulawesi), Aug 08 (OANA-ANTARA)—The navy vessel KRI [Republic of Indonesia Ship] Samadikun caught two Philippine-flagged fishing vessels recently for illegally fishing in north Sulawesi waters in the Regency of Sangihe-Talaud, a local official said here on Thursday.

The ships are now at the Tahuna Seaport in Sangihe-Talaud for legal processing, the head of the Sangihe-Talaud Office of the Information Ministry, W.E. Loho, said.

The two ships each weighing 100 tons did not have legal documents for catching fish in Indonesian waters, according to KRI Samadikun captain Lt. Col. M. Idris, he said.

The Thesa Mae carried 46 crew while the Mary Grace had 16 crew aboard and each of the ships was equipped with three small-sized boats.

These were the fifth and sixth ships caught in north Sulawesi waters by the KRI Samadikun in the last three months.

On the day these ships were caught on July 27, a naval military unit arrived at Tahuna aboard KRI Ahmad Yani to begin their task in the island regency.

Captain of KRI Ahmad Yani Lt. Col. Ahmad Sucipto said he had recently also caught several Taiwanese- and Philippine-flagged ships in Sulawesi waters for illegal fishing.

Envoy Views Portuguese Petition on East Timor

BK0908102691 Jakarta ANTARA in English 0946 GMT 9 Aug 91

[Text] New York, Aug 9 (OANA-ANTARA)—The petition about East Timor recently forwarded to the United Nations will only disturb the dialogue on the issue between Indonesia and Portugal under control of the UN Secretary General, Indonesian Ambassador to the UN Nugroho Wisnumurti said here Friday.

What they have forwarded at the meeting of the UN decolonisation committee curently underway here is 'the same old song' with the same pattern, without obvious evidence, he stated.

The petition was forwarded by the same persons who have made the same move every year so that their presence in various forums has become routine, according to Nugroho.

Those forwarding the petition were from, among others, the Portuguese Communist Party, the Portuguese Socialist Party, the International Amnesty, FRETILIN [Revolutionary Front for an Independent East Timor] trouble maker group and individuals from Australia and Canada.

Representatives of Portuguese former colonies in Africa participated in forwarding the petition likely only to fulfill their obligation, Nugroho said.

They have become frustrated because of their failure to make their petition about the East Timor issue as international agenda at the meeting of the UN decolonisation committee, according to Nugroho.

Several of them have even criticize their own governments because of supporting the Indonesian position in the solution to the issue and being engaged in cooperation in various fields with the Indonesian Government, he said.

Their move will only hamper the dialogue between Indonesia and Portugal initiated by the UN, instead of helping settle the issue, he added.

2 Communist Detainees Freed After 4-Year Delay

BK0808133091 Jakarta BERITA BUANA in Indonesian 30 Jul 91 p 1

[Excerpts] Jakarta, BUANA— Rewang and Marto Suwandhi, two jailed former members of the Indonesian Communist Party [PKI], have been enventually released from Cipinang Prison in Jakarta following a four-year delay. As a matter of fact, the two prisoners completed their jail terms on 23 January 1988 and 8 September 1987 respectively. However, their release was delayed for unclear reasons.

According to information obtained by BUANA, the two prisoners were released on 24 July 1991. The two aged men were greeted by their families who were notified of the planned release a day earlier.

Mrs. Lies Sugondho S.H. [academic title], head of the Jakarta Regional Office of the Department of Justice, declined comments on the release. "It is a sensitive issue," she told BUANA by phone on Monday (29 July) in reply to the news report.

Meanwhile, Brigadier General Nurhadi Purwosaputro M. Sc., head of the Information Center of the Armed Forces of the Republic of Indonesia, said that he had not yet received any reports on the release of the two prisoners. However, he said that the release of prisoners such as that of the former members of the banned party is normal. "They have already completed their jail terms," he told BUANA on Sunday.

According to Nurhadi, the General Headquarters of the Armed Forces of the Republic of Indonesia and the Coordinating Board for the Strengthening of the National Stability were not in charge of the sentences. "The Department of Justice was responsible for the matter," he said.

Nonetheless, as matter of principle, prisoners must be released after completing their jail terms. "They must be free just like other persons," he said. "This conforms with the existing rules," he added.

Rewang, 63, and Marto, 69, were punished for their involvement in a PKI rebellion in September 1965. The two former important leaders of the banned party were earlier sentenced for life. However, they later had their sentences commuted to 20 years. [passage omitted]

Several other PKI prisoners, including Colonel A. Latief and Iskandar Subekti Yusuf are now being held at Cipinang Prison after Rewang and Marto were released.

Latief is one of the living eyewitnesses of the rebellion launched by the 30 September Movement. He was arrested in Jakarta on 11 October 1965 and was later sentenced for life. He asked for a presidential pardon on 11 June 1988. His plea was, however, rejected.

In the meantime, Iskandar Subekti Yusuf, former member of the International Affairs Department of the PKI Central Committee, is awaiting an execution. In fact, the former journalist of HARIAN RAKYAT, lodged an appeal on 29 December 1972. However, no decision has been made on his appeal.

Philippines

U.S. Withdrawal Creates Power Vacuum

HK0808115091 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 1100 GMT 8 Aug 91

[Text] A power vacuum in the Asia-Pacific region will occur in the event the United States leaves Subic Naval Base. Foreign Affairs Secretary Raul Manglapus admitted that the Philippines or any country in Asia could not fill up the vacuum in the regional security if the U.S. military bases are removed. Meanwhile, U.S. chief negotiator Richard Armitage asked Senate President Jovito Salonga to retain an open mind when he receives the final draft of the bases treaty. In a letter, Armitage reminded the senators that the Philippines will not only receive $203 million each year for the retention of Subic, but also additional food and military aid and extensive trade concessions. Armitage told the senators that the future of the Philippines-U.S. relations lies in their hands.

Senate Solicits Military's View on Bases Pact

HK0808121891 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 8 Aug 91

[By Restie de Quiros]

[Text] The Senate Committee on Intelligence will summon Armed Forces Chief of Staff General Lisandro Abadia and National Intelligence Security Administration General Roman Gavino to get their opinions regarding the effects on the Armed Forces' modernization of a possible Senate rejection of the bases treaty.

In an interview, Senator Mamintal Tamano, the committee chairman, said they must know the effects of their rejection of the treaty. Allegedly, they could easily reject the draft treaty but would not know where to get the millions of pesos needed to fund the military's modernization:

[Begin Tamano recording in English] We are convening the Senate Intelligence Oversight Committee and invite all members of the Senate to attend the executive session for the purpose of getting the information from the military services on their reaction to the possible rejection of the bases treaty and its impact on the Armed Forces of the Philippines' modernization program. We have read in the newspapers that the Chief of Staff, General Abadia, is complaining that the Armed Forces stand to lose the amount of $1.5 billion. [end recording]

Military Seeks Senate Audience on Bases Pact

HK0908041891 Manila MANILA BULLETIN in English 9 Aug 91 pp 1, 23

[By Mario Casayuran]

[Text] Armed Forces of the Philippines (AFP) officials sought yesterday an audience with the Senate to express their concern over the possible loss of $1.5 billion (P [Philippine pesos] 41.55 billion) for its modernization program and its effect on national security in the event the Senate rejects the proposed RP [Republic of the Philippines]-U.S. bases treaty.

The audience was sought by AFP Chief of Staff Gen. Lisandro Abadia as the fate of the proposed treaty, which includes the $1.5-billion offer, hangs in the balance in the Senate.

Sen. Mamintal A. J. Tamano, chairman of the Senate Intelligence Oversight Committee, said Abadia had complained that the views of the military establishment were not heard by 16 senators who had publicly announced their intention to reject the treaty when it is submitted to the 23-member Senate for ratification by the Executive Department.

"The countdown has begun, with 37 days to go," Tamano said, referring to Sept. 16 expiration of the 44-year-old RP-U.S. Military Bases Agreement (MBA).

The continued use by the U.S. of Subic Naval Base hinges on the Senate ratification of the proposed treaty where minor issues are still being discussed by Foreign Affairs Secretary Raul Manglapus and Richard Armitage, head of the U.S. bases negotiating panel.

Tamano said other members of the Senate will be asked to attend the closed-door conference scheduled Wednesday afternoon.

Members of the Tamano committee, which is actually a sub-committee of the Senate National Defense and Security Committee headed by Sen. Ernesto M. Maceda, are Senators Wigberto E. Tanada, Aquino Q. Pimentel Jr., and Ernesto Herrera.

Invited to the conference were retired Brig. Gen. Roman Gavino, head of the National Intelligence and Security Administration (NISA); Abadia and previous AFP chiefs of staffs; heads of the intelligence offices of the various armed services of the AFP; and other military generals.

Noting the country's difficult economic situation, Tamano said AFP officials have complained that their modernization program would be scuttled once the Senate rejects the treaty.

Sen. John Osmena earlier sought an inquiry by the Maceda committee on the consequences of a Senate rejection of the proposed treaty to the AFP modernization program.

Sen. Vicente T. Paterno had earlier said he would vote for the ratification of the treaty for economic and military reasons.

He cited the poor state of Philippine Navy and Philippine Air Force sea and air fleet in meeting regional conflicts which the U.S. can easily take care of should the treaty be ratified.

Stanley Schrager, U.S. Embassy spokesman, has told Senate reporters that the proposed treaty covering the 10-year use of the Subic Naval Base would "conceivably result in the Philippines receiving $3.5 billion or more in direct, base-related benefits.

"This figure does not include several hundred million dollars-each year for procurement and expenditures by U.S. forces for everything from salaries for Philippine employes to rental of off-base housing, utilities, and payments for concessionaires.

"Neither does it include a dollar figure associated with foreign investments made possible by investor confidence inspired by a continued basing relationship between the Philippines and the U.S.," he added.

Aquino Reiterates Ban on Return of Remains

HK0808124691 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 8 Aug 91

[Text] The president said there is no change in the government's position on the ban for the return of the late President Marcos. Here is Tanny Rodriguez with the details:

[Begin recording] Despite the permission for former First Lady Imelda Marcos and her family to return to the country, the president said the remains of the late President Marcos cannot be allowed to return yet because this may result in the disruption of other sectors of society. The president's position on this issue remains the same despite the call by over 150 legislators to change the government's stand. The president said she is happy that there are legislators who are ready to claim responsibility for any disturbance in the country which may result from the return of the late president's remains. According to the legislators, this is a step toward national reconciliation with the supporters of the Marcos family. [end recording]

U.S. Pullout Would Weaken Local Security

HK0908092791 Hong Kong AFP in English 0915 GMT 9 Aug 91

[Text] Manila, Aug 9 (AFP)—A sudden U.S. military pullout from the Philippines would weaken the local Armed Forces and derail their modernization program, President Corazon Aquino warned here Friday. After the Philippine Senate stood firm on its threat to block a proposed new bases treaty, Aquino said the Philippine military was "speaking the truth" when it warned of dire consequences from the pact's rejection.

Washington will have to start withdrawing from Subic Naval Base, its main ship repair and supply facility in Asia, by September 16 if the Senate refuses to ratify the agreement before then.

"One of the effects of a rejection of the bases treaty will be the derailment of plans for the modernization of the Armed Forces," Aquino said in a statement.

Manila is planning a 10-year, 140-billion-peso (five-billion-dollar) modernization of its Air Force and Navy, synchronized with a gradual pullout of the U.S. bases which have handled this former colony's defense from external threats.

Aquino added that a rapid U.S. pullout would also "cut into the effectiveness" of the national police and the Armed Forces in fighting insurgents.

She called on anti-treaty senators to "present an alternative to the funding" that the military would lose and "all the other substantial benefits" that Manila would forfeit if the treaty were rejected.

Under the proposed treaty granting Washington a new 10-year lease on Subic, Manila would receive 323 million dollars in direct compensation for the first year and 203 million dollars annually until the end of the agreement.

The sums include grants for the purchase of defense equipment and the training of Philippine military personnel, as well as economic support for the government.

U.S. officials have decided to abandon Clark Air Base next year, following its devastation by a major volcanic eruption in June.

Clark's closure will eliminate the jobs of 10,000 Filipino base employees, and thousands more in companies servicing the facility and businesses catering to the base's more than 16,000 servicemen, employees and dependents.

Critics of the treaty say the facilities represent an extension of U.S. colonial rule, which formally ended in 1946, while others say the bases should be allowed to remain in operation if the United States offers far more compensation.

Manglapus Believes Treaty To Be Ratified

HK0908112691 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 9 Aug 91

[Text] Foreign Secretary Raul Manglapus fully believes that despite the Senate's rejection of the new military bases agreement, it will finally be ratified. Manglapus said that in his information campaign in the rural areas, many people have expressed their support for the agreement. According to Manglapus, Washington should recognize the agreement on the military bases as a treaty and not as an executive agreement.

Taiwan Ready To Accept Filipino Workers

HK0908081691 Manila MANILA BULLETIN in English 9 Aug 91 pp 1, 19

[By Isidro M. Roman]

[Text] The Taiwan Government expressed yesterday its readiness to accept Filipino contract workers on condition that the Philippine Government demonstrate its friendly relations with the country and specific terms and conditions are complied with.

Dr. Chao Shou-po, chairman of the Council of Labor Affairs of Taiwan, in a call to the MANILA BULLETIN, bared his government's official decision during a meeting with Philippine Immigration Commissioner Andrea Domingo.

Domingo, according to sources, was under instruction from President Aquino to seek employment opportunities for Filipino workers, especially those who were victims of the Mt. Pinatubo eruption.

Chao told the immigration chief that the Philippine Government should:

1. See to it that workers should not be exploited by middle men and by the employers.

2. Insure the skill, vocational training, health condition, and psychological uprightness of the workers.

He assured Domingo that the crackdown on Filipino illegal workers in Taiwan will be stopped until a labor agreement can be worked out by the two countries to help solve the acute unemployment problem in the Philippines and the equally acute labor shortage in Taiwan.

Chao reminded Domingo that his country can always recruit workers from other Asian countries to meet its needs.

Touched by the appeal of the Philippine immigration chief, Chao assured her of his personal assistance.

Domingo invited the Taiwan labor official to visit the Philippines which he immediately accepted. Chao will visit Thailand, Indonesia, Malaysia, and the Philippines in early September. It will be his fourth visit to Manila.

The Philippine immigration commissioner was accompanied by Director Jovy Lazaga of the International Labor Affairs, Overseas Deputy Administrator Manny Imson, Filipino-Chinese Federation Secretary-General Vicente Tan, former Manila Congressman Joaquin "Titong" Roces, Dante Calma, and Philippine-Taiwan Freedom Foundation Chairman Bubby P. Dacer.

Labor Secretary Ruben Torres also arrived in Taiwan yesterday morning and was scheduled to meet with Chao today.

Brunei King To Visit Manila 16-19 Aug

HK0908110991 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 9 Aug 91

[By Rey Arquiza]

[Text] King Hassanal Bolkiah of Brunei Darussalam is scheduled to visit the country next week. This was learned from the Department of Foreign Affairs [DFA] today. The state visit by the Brunei king is set for 16-19 August. According to the DFA, King Bolkiah and President Aquino will discuss issues regarding the expansion of relations between the two countries. In the talks by the two heads of state of the Association of Southeast Asian Nations, it is expected that Mrs. Aquino will ask for the possible deployment of Filipino overseas workers, notably those displaced by the Mount Pinatubo eruption. It will be recalled that Mrs. Aquino visited Brunei in 1989 to attend the baptism of the king's son.

Labor Sector Wants Further Oil Price Reduction

HK0908073691 Manila BUSINESS WORLD in English 9 Aug 91 pp 1, 6

[By Arnold E. Belleza]

[Text] Yesterday's announcement by the Energy Regulatory Board (ERB) of reductions in prices of local petroleum products drew varied reactions from labor leaders who had batted for much lower fuel prices.

As expected, the Kilusang Mayo Uno [1 May Movement] (KMU) said the P1.16 [Philippine pesos] average reduction is "not enough ... not satisfactory" as it remains "way below" the provisional P1.92 average reduction they sought.

KMU spokesman Nicanor Elman said the ERB should follow-through with a "retroactive reduction ... (of a) bigger amount" equal to September 1990 price levels as a disparity remains between local fuel and world oil prices.

Surprisingly, the KMU did not air a strike threat in the wake of the announcement, outside of saying the group would continue to press the ERB for further reductions as the P1.16 is a "provisional reduction."

The Lakas Manggagawa Labor Center (LMLC) [Labor Force Labor Center] said the reduction was "kulang."

(not enough) and that they would be pressing for an additional P3.75 reduction to achieve the average P5 reduction they had earlier demanded.

Dominic Rivera of the LMLC secretariat said no mass actions will be staged by the moderate labor group.

LMCL secretary-general Danilo Edralin said the amount "does not meet with our proposal" to reduce prices of local petroleum products to pre-December 5 levels (the KMU's September levels).

As the LMLC had boycotted the ERB hearings on its intervention to the KMU petition "until the announcement of a provisional increase," Mr. Edralin said they would now resume petitioning the ERB for further price reductions.

The conservative Trade Union Congress of the Philippines (TUCP) said they were accepting the amount on the condition that no further power rate increases will be imposed by the National Power Corporation (Napocor).

TUCP Vice President Cedric Bagtas said that had the Oil Price Stabilization Fund (OPSF) deficit been liquidated, the ERB could have announced an average reduction of as high as P2.25.

As it is, the difference of about a peso should be divided into a P0.50 contribution to the OPSF and the remaining P0.50 to be allocated to the Napocor to prevent further power rate increases.

However, the latter proposal would need "congressional action," thus the need for Congress to pass laws to this effect, Mr. Bagtas said.

Reduced Oil Prices To Take Effect on August 14

HK0908094491 Manila BUSINESS WORLD in English 9 Aug 91 pp 1, 6

[Text] At 12:01 a.m. on Wednesday, August 14, the domestic prices of petroleum products will be reduced by an average P [Philippines peso] 1.16 per liter, President Aquino announced yesterday.

Actually, the wholesale prices will be cut two days earlier, on Monday, August 12, to allow petroleum dealers ample time to dispose of existing inventories at current prices and, at the same time, ensure the steady supply of oil products at the retail level.

Appearing on broadcast, Mrs Aquino noted that the Energy Regulatory Board [ERB] has already officially promulgated the decision, under which downward adjustments in retail prices will be affected, as follows:
—P3.25 per liter of premium gasoline;
—P3 per liter of regular gasoline;
—P2 per liter of asphalt and aviation turbo;
—P0.45 per liter of diesel and kerosene;
—P1.30 per liter of industrial fuel oil; and
—P7 per 11-kilogram cylinders of liquefied petroleum gas.

ERB chairman Rex Tantiongco "has assured me that this new pricing will remain in place even if the price of crude oil should escalate, as it is indeed expected to move upwards by yearend when worldwide demand and consumption go higher," Mrs Aquino stressed.

Press Secretary Tomas Gomez III, in a briefing for Palace newsmen, said it was agreed that the new pricing schedule "will remain until the end of the President's term."

Comparable

Significantly, Mrs Aquino pointed out that, with the adjustments, the Philippines has "not only (become) comparable with the rest of Asia in gasoline and diesel, but likewise competitive in industrial fuel oil. We are, therefore, renewing our appeal to manufacturers and producers of consumer commodities to likewise respond with corresponding reductions in prices."

It must be noted that the ERB-mandated reduction in pump prices is, on the average, some 16% more than that proposed by the trisectoral technical committee on petroleum products and subsequently endorsed by Mrs Aquino last July 18.

As the ERB implemented a provisional P2.05-per-liter increase in pump prices last December 10, 1990, however, the impending P1.16-perliter reduction will still enable the Executive department to make use of the P0.89-per-liter remainder to both create a buffer for the OPSF [Oil Price Stabilization Fund] and augment the National Treasury's coffers.

Specially, the Executive is set to impose, by administrative fiat, a tariff on crude oil importations to offset revenues the coming reduction of the 9% import levy will forgo.

Metro Manila Prices (Effective Aug 14, 1991)

(In Pesos per liter)	Old	New	Decrease	Percentage
Premium Gasoline	15.9500	12.7000	3.25	20.30
Regular Gasoline	15.0000	12.0000	3.00	20.00
Avturbo	15.3902	13.3902	2.00	19.00
Kerosene	7.7600	7.3000	0.45	5.81
Diesel Oil	7.7500	7.3000	0.45	5.81
Fuel Oil Feedstock	5.1580	3.8580	1.30	25.20
Asphalts	11.2448	9.2448	2.00	17.79
Thinners	13.0149	13.0149	0.00	0.00

LPG [Liquid Petroluem Gas] Retail Prices (Per Cylinder)

Dealer to Consumer		Old	New	Decrease	Percentage
Pick-up	11 kgs	132.00	125.00	7.00	5.30
	22 kgs	264.00	250.00	14.00	5.30
	50 kgs	600.00	568.20	31.80	5.30
Delivered	11 kgs	137.00	130.00	7.00	5.11
	22 kgs	270.00	257.50	12.50	4.63
	50 kgs	608.00	583.20	24.80	4.08
Retail Outlet to					
Consumer Pick-up					
Delivered	(11 kgs)	134.50	129.00	5.50	4.09

Investments Increase by 41 Percent in First Half

HK0908082791 Manila BUSINESS WORLD in English 9 Aug 91 p 2

[By Mary Jane O. Llanes]

[Text] Aggregate corporate investments for the first half of the year posted an impressive 41.4% upturn to P [Philippine peso] 17.18 billion from the same period last year despite the unfriendly business climate spawned forth by the continuing Pinatubo episode.

On a month-on-month basis, however, investments in both new and existing corporations plunged 81.4% to P1.66 billion in June, a development expected when Pinatubo's major eruption took place by the middle of the same month.

As economists downgraded the harmful effects of the Pinatubo eruptions on the gross national product on a macro-economic level, damages wrought could be walloping on the regional level.

Investments for June, latest figures from the Securities and Exchange Commission (SEC) showed, were largely infused by way of cash amounting to P946.5 million or 58% of the total.

The balance was made through stock dividend declarations, P462.7 or 27.8% of total; offset of liabilities, P79.8 million or 4.8%; and property valued at P16.9 million or a meager 1% of total.

Foreign Investments

Foreign investments month-on-month nosedived 66.7% to settle at P214.2 million in June.

Foreign capital inflows for the first six months of the year, however, registered a higher 9.6% to P3.1 billion as business confidence in the pre-pinatubo months enjoyed a moderately high rate. Skittishness prevailed, though, after the Pinatubo eruption as doubts were raised on the government's ability to deliver services to and effect a full recovery in the shortest possible time in the areas affected.

Aside from the Pinatubo factor, SEC analysts believe that pending reduction of the 9% import levy and the recent approval of the Foreign Investments Act, "foreign investors must have assumed a wait-and-see attitude as reflected in the foreign portfolio for June."

Foreign capital inflows consisted mainly of P56.4 million in initial equity in new local businesses; P214.2 million additional equity in existing local firms; P5.6 million operating capital of four foreign companies, and; P6.9 million additional remittances of 10 regional headquarters of multinational corporations.

New Corporations

Start-up firms also saw a 12% slip in number to 1,485 from the May figures although on semestral level, new firms registered were higher by 7.8%.

Business expansions similarly contracted in June, 85% lower to P7.77 billion reflecting investors' skittish attitude on the Philippine business scene. "The negotiation on the military bases agreement also help rein in investors enthusiasm to place in new capital," SEC analysts said.

General Milling Corp (GMC) led the list of companies which rolled additional capital amounting to P325.6 million.

Of the 65 companies that expanded business operations, 11 firms opted to finance their expansion by converting unrestricted retained earnings into equity via declaration of stock dividends amounting to P462.7 million representing 39.8% of the total additional capital.

Further mirroring nervous sentiment, capital withdrawals remained on a high plane with 21 companies closing shop in June from only 7 in May. On a semestral level, dissolutions for the period were higher by 18.2% from last year's result which in peso terms amounted to P21.49 billion.

Aquino Rejects Officials' Resignations

HK0808104991 Manila MANILA BULLETIN in English 8 Aug 91 pp 1, 12

[By Rod L. Villa]

[Text] President Aquino rejected yesterday the resignations of Commissioners Arthur Defensor and Mario Jalandoni of the Presidential Commission on Good Government (PCGG).

Executive Secretary Franklin Drilon confirmed that the two PCGG officials submitted their courtesy resignations the other day but that the president rejected them.

Drilon added that Mrs Aquino expressed her confidence in the two PCGG commissioners.

"We confirm that Commissioners Defensor and Jalandoni did submit their courtesy resignations to the president yesterday (Tuesday)," Drilon said. "The president has rejected these resignations and expressed her confidence in Commissioners Defensor and Jalandoni."

With the presidential rejection, the two PCGG officials will stay on in their jobs, according to Assistant Press Secretary Lourdes Siytangco who read the statement.

She said that there was no other word yet from Malacanang as to plans for the PCGG, particularly on its speculated revamp.

Swiss authorities declared recently as illegal the alleged computer-tapping activities of reiner Jacobi, a PCGG informer in the recovery of Marcos' Swiss bank accounts, temporarily derailing such efforts.

The offer of resignation of Defensor and Jalandoni came following the Jacobi controversy and calls by some senators for the abolition of the PCGG.

The PCGG is also composed of David Castro as chairman, and two other commissioners, Maximo Maceren and Zosimo Malabanan.

Rebels Have Until 10 Aug To Surrender

HK0808124791 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 8 Aug 91

[Text] The Armed Forces of the Philippines [AFP] Chief Lisandro Abadia today issued a strong ultimatum for Gringo Honasan's group to peacefully surrender by Saturday, 10 August. Otherwise, an extensive military offensive will be launched against Gringo's group. Here is Josette Olivera with the details:

[Begin recording] Abadia's declaration giving a deadline to the officers of the rebel force to surrender by Saturday came almost at the same time as the statement issued by the military rebels warning President Aquino to reform her administration or else another coup d'etat will be launched. According to Abadia, he has already given too much to them and has done everything in his capacity to work for a peaceful reconciliation. [end recording]

Meanwhile, Defense Secretary Renato de Villa today said that the rebel soldiers' threat of a new coup should be ignored. According to De Villa, this threat is only propaganda, the purpose of which is to conceal the rebels' inability to topple the government.

On the other hand, AFP Chief Lisandro Abadia shrugged off the military rebels' threat. Jim Belasano reports:

[Begin recording] General Abadia said that the Reform the Armed Forces Movement-Soldiers of the Filipino People-Young Officers Movement threat was mere propaganda, adding that the possibility of a coup is negative and zero. Abadia assured the people that the military will not allow the rebel soldiers to stir up another widespread uprising against the government.

Director Gerardo Flores, Philippine National Police chief for intelligence, said the movement no longer has the ability to destabilize or throw out the government after the arrest of several rebel soldier leaders. [end recording]

Ramos Offers To Hold Peace Talks With Honasan

HK0908093191 Manila MANILA BULLETIN in English 9 Aug 91 p 8

[By Ben Rosario]

[Text] Former Defense Secretary Fidel V. Ramos said yesterday he is willing to talk peace with dismissed Army Lieutenant Colonel Gregorio "Gringo" Honasan.

At the weekly "Kapihan sa Alps" [Coffee session at Alps restaurant] media forum in Cubao, Quezon City, Ramos said he may attend the funeral in Ilocos Norte of the late former President Marcos, indicating he favors the return of Marcos's remains to the country.

He said he is willing to [open a] dialogue with Honasan to seek a peaceful solution to the ultra-rightist threat and "give true meaning to reconciliation."

Ramos played a key role in quelling six rightist attempts against the Aquino government as AFP [Armed Forces of the Philippines] chief and then as defense secretary.

In the same forum, Ramos said it is his obligation "as a relative and as a former defense secretary" to attend the funeral rites for Marcos.

However, Ramos stressed the decision to allow Marcos's remains to be flown home must be timed properly so that the peace and order situation in the country will not worsen.

He said the country faces various problems and the government will not risk creating a new one by allowing the remains to be brought back at the wrong time.

Group Seeks Release of Political Detainees

HK0808124191 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 8 Aug 91

[Text] The relatives of political activists asked for the release of mothers and children who were arrested because they were top ranking supporters of the New People's Army. According to Professor Nina Simbulan, of the Organization for the Release of Political Detainees, the mothers and children should not experience torture while they are in jail. Simbulan also said that the mothers, most of all their children, should be

given the opportunity to live freely after they were arrested allegedly without an arrest order.

Simbulan cited the case of mother and child Lilibeth and Julie dela Cruz, four months old, who were detained at Bicutan Prison, and also the case of Joy Jopson Kintanar, mother of three children and wife of Romulo Kintanar, who is presently detained at Camp Crame. Simbulan also said that President Corazon Aquino should recognize the dictates of a provision in the Letter of Instructions No. 621, the Marcos Decree, which states that one of any couple arrested should be released for humanitarian considerations.

[Begin Simbulan recording in English—in progress] ...that President Aquino releases the mothers and their children who are presently detained now in the different military camps, primarily on humanitarian grounds. We'd like to...[changes thought] Considering that she herself has gone through the pain and difficulty of having a husband detained. So, to ensure the proper growth of the children, considering that their experience has been traumatic...[end recording]

Thailand

Asa on SNC, UNSC, Saudi Gems, U.S. Base

BK0908071291 Bangkok Radio Thailand Network in Thai 0530 GMT 9 Aug 91

[Text] Talking to reporters about the development concerning the next meeting of the Supreme National Council [SNC] of Cambodia, Foreign Minister Asa Sarasin said that the meeting will be held from 26-28 August in Phatthaya. He said Thailand will provide facilities for the meeting and will not involve itself in the meeting. However, Thailand will be willing to hold consultations with every party.

Apart from the Cambodian SNC meeting, the foreign minister disclosed that there will also be a meeting of representatives of the permanent members of the United Nations Security Council [UNSC] from 29-30 August also in Phatthaya. The representatives of the UNSC Permanent Members will also hold discussions with the Cambodian SNC on 29 August, because the SNC meeting involves the Cambodian peace plan under the framework of the United Nations.

Asked about the issue concerning Saudi Arabian diamonds, the foreign minister said that the ministry has not been inactive on the matter. The ministry has coordinated with Police General Phao Sarasin, deputy prime minister; M.R. Kasemsamoson Kasemsi, minister attached to the Prime Minister's Office; and with the Police Department to find ways to handle the issue and to make Saudi Arabia understand the case. He said that at present there still are several problems to be solved between Thailand and Saudi Arabia, such as Thai goods not allowed to enter Saudi Arabia, and problems about aviation and Thai workers. When Prime Minister Anan Panyarachun visits Saudi Arabia, it is expected that such problems will be raised for discussion with Saudi Arabian leaders.

To the question that the United States has reportedly requested to establish its military base in Thailand at U Taphao, the foreign minister replied briefly that there has never been such a request and, if there were, we would not accept it.

Cambodian Exodus Expected To Begin Soon

BK0908024991 Bangkok BANGKOK POST in English 9 Aug 91 pp 1, 3

[Text] The United Nations is expected to begin physical preparations inside Cambodia for the repatriation of over 350,000 Khmers now living in Thailand in a matter of weeks.

The United Nations High Commissioner for Refugees' [UNHCR] Coordinator for Cambodian Repatriation Operations, Darioush Bayandor, said yesterday the preparations included the construction of six reception centres in areas controlled by Phnom Penh.

The first phase of registration of displaced Cambodians wanting to return is also expected to start in "two to three weeks' time", said Mr Bayandor.

UN Secretary-General Javier Perez de Cuellar is expected to issue a call next month to donor countries asking for funds to finance the repatriation effort, considered the largest ever undertaken by the UNHCR.

Mr Bayandor said the cost of the physical preparations was estimated at about $30 million, but the agency now only had about $9 million.

Although emphasising that the definitive total cost of repatriation could not yet be set, he said initial estimates put it at $109 million.

The UNCHR official said one of the six reception centres would be located near Phnom Penh, three in Battambang Province—in Sisiphon, Sanke and Mong Russey, and one each in Siem Reap and Pursat.

The preparatory phase also includes the construction of a warehouse in Sisiphon to store food.

He said the physical preparations were expected to take six months to complete.

Both Mr Bayandor and National Security Council [NSC] chief Suwit Sutthanukun emphasised yesterday that the actual movement of displaced Cambodians would not start until a political settlement had been reached among the four warring factions.

They said the whole repatriation effort was expected to take nine months to complete.

Mr Bayandor said the repatriation effort would be "a hell of a task" logistically, and a highly complex operation facing many fundamental problems with "no easy answers".

But he emphasised that the security and safety of the returning Cambodians would have to be assured before the move could take place.

He said there was agreement from all sides that the repatriation would be voluntary and that all effort would be taken so the Khmers are not pressured into going to areas which they do not want to.

Mr Bayandor said that once the Cambodians arrive at the reception centres inside their own country, they should not have to remain for more than 10 days before moving to areas set aside where they could start a new life.

The UNHCR official said efforts were now being made to identify areas where the returning Cambodians could live and farm. Mr Bayandor said the agency was now processing land use maps to find suitable farming areas which were not being used but were still close to villages.

He said studies would have to be made to make sure the land was suitable for farming, such as access to water and villages, to avoid the need to start infrastructure work.

The areas would also have to be "safe and secure" from land mines and bandits.

The agency will provide the returning Cambodians with food rations, farming tools and equipment and other necessities which will enable them to farm and live for about a year.

Mr Bayandor was confident a void would not exist once the UNHCR's task was completed and it had pulled out, and that other developmental agencies would be in place to assist the Cambodians.

Here in Thailand, a number of camps now housing Cambodians have been designated as transit centres, namely the Sihanoukist camp of Site B Surin's Kap Choeng District, the Khmer People's National Liberation Front camp of Site 2 in Ta Phraya District and the Khmer Rouge camp of Site 8 in Prachin Buri's Khlong Hat.

NSC chief Suwit identified Khao I-Dang in Aranyaprathet of Prachin Buri Province as another transit centre. Khao I-Dang currently houses 14,734 Cambodians.

According to the latest United Nations Border Relief Organisation figures, there are 63,157 Cambodians at Site B, 198,582 at Site 2 and 41,681 at Site 8.

Cambodians at other camps such as the Khmer Rouge camps of O'Trao in Sisaket Province (17,526) and Site K (10,866) and the KPNLF camp of Sok Sann (9,485) in Trat Province will be moved to one of the transit centres.

Mr Suwit said the convoys of Cambodians would mostly travel along Route 5 and Route 6 once the actual repatriation began.

According to past surveys, about 250,000 want to return under the auspices of the UNHCR and another 50,000 want to return on their own.

Based on a figure of 250,000, some 10,000 Cambodians will return to their country each week for a period of six months.

Panel Assesses Moei River Border Area

BK0908023991 Bangkok THE NATION in English 9 Aug 91 p A1

[Text] Following the successful delineation of the 58-km Mae Sai-Nam Ruak Rivers, Thailand and Burma yesterday identified the Moei River as their next target for boundary demarcation.

Deputy Foreign Minister Wichian Watthanakhun and his Burmese counterpart U Ohn Gyaw, who chaired the two-day fourth meeting of the Thai-Burmese Boundary Committee to conduct a technical survey of the area before making a final decision on the principle to employ for the demarcation of the 400-km Moei River.

Thailand has suggested the two countries follow the "principle of tarvac"—using the waterway's deepest channel to mark the boundary—which was applied when they sucessfully surveyed and delineated the Mae Sai-Nam Ruak rivers last year. But Burma has called for an initial survey of the common river borderline.

The meeting also agreed to send a similar survey team to two other spots on the common borderline—near Ban Nong Ok in Chiang Sao district of Chiang Mai, where the boundary stones marking the borderline have gone missing, and Doi Ka on the Daen Lao Range in Chiang Rai where the two countries have not agreed on the watershed used to define the boundary.

During the meeting, the joint committee did not touch on the Burmese request for a settlement on the three disputed small islands in the Pakchan River in Ranong Province.

Both countries are awaiting the ratification to officially inaugurate the agreement.

Joint Committee To Meet in Phuket 15-17 Aug

BK0908020591 Bangkok THE NATION in English 9 Aug 91 p A4

[Text] Thailand and Laos are set to inaugurate the meeting of the Thai-Lao Joint Commission from Aug 15-17 in Thailand's southern island Province of Phuket, Foreign Ministry's deputy spokesman Rawi Hongpraphat said yesterday.

Rawi said Lao Foreign Minister Phoun Sipaseut would lead a delegation that would include Foreign Economic

Relations Minister Phao Bounnaphon and Deputy Foreign Minister Thongloun Sisoulit to the meeting while the Thai Delegation would be headed by Foreign Minister Asa Sarasin.

The Joint Commission was set up under an agreement signed by Asa and Phoun who become the committee's cochairmen during his visit to Vientiane in May to promote bilateral cooperation on economics, trade, culture, science and technology.

Rawi said both sides would discuss the remaining issues affecting bilateral ties. Informed sources also said one of the topics on the agenda would be preparations for Prime Minister Kaysone Phomvihan's visit to Thailand.

Kaysone has accepted the government's invitation extended to him by Asa to visit Thailand.

The sources said Asa and Phoun were expected to sign an agreement on the setting up of a Thai-Lao General Border Committee to oversee security along the common border. The committee will be cochaired by senior officials from by both Defence Ministries.

The interim government under Prime Minister Anan Panyarachun has placed great emphasis on promoting ties with Laos among other immediate neighbours. It approved in April economic and technical assistance worth Bt [baht] 200 million for 1991-1992 to Laos.

Malaysia Turns Muslim Radical Over to Police

BK0908025591 Bangkok THE NATION in English 9 Aug 91 p A1

[Text] Malaysia yesterday handed over to Thai authorities a Thai Muslim radical wanted in connection with unrest at a mosque in Pattani in 1989.

Sorayut Sakhunasantisat was received at 2 pm at a border checkpoint in Songkhla by some 50 plainclothes policemen led by Pol [police] Lt Gen [Police Lieutenant General] Thiraphon Intharawicha, commissioner of the Provincial Police Headquarters 4. The suspect had been escorted by about 30 Malaysian policemen.

Sorayut was later brought from the Sadao district checkpoint to the Hat Yai airport guarded by about 70 policemen and soldiers.

A police plane then took him to Bangkok where he was sent to the private police school in Bangkhen for detention.

Sorayut was wanted for allegedly inciting unrest at the Kruze Mosque in Patttani in October 1989. Two police officers were injured in the unrest, during which angry Shi'ite radicals vandalized passing cars.

Sorayut and eight other Shi'ite leaders allegedly made defamatory statements against the monarchy during the violent rally, held to demand that they were allowed to worship at the mosque. The mosque has been declared a historic site by the Fine Arts Department.

So far police have arrested three of the eight Muslim leaders alleged to have collaborated with Sorayut in the unrest.

Sorayut was arrested in Malaysia last month on charge of illegal entry.

It was earlier reported that Sorayut could not be returned to Thailand because Malaysian police found a firearm in his possession. Possessing firearms or ammunition is liable to the maximum death sentence in Malaysia.

Earlier yesterday, special branch police said Sorayut was facing only charges of illegal entry in Malaysia and could be repatriated when the legal process in the neighbouring country was completed.

Rice Export Expected To Exceed 1991 Target

BK0908044191 Bangkok Radio Thailand Network in Thai 0000 GMT 9 Aug 91

[Text] Niphon Wongtra-ngan, president of the Thai Rice Mills Association, expressed confidence that Thailand's total rice export this year will reach 4 million tonnes—200,000 tonnes higher than the set target of 3.8 million tonnes.

A factor supporting the assumption, he said, is that Vietnam, one of Thailand's competitors in rice trading, has already made sales contracts of a large amount of its rice in advance and currently faces some problems in delivery of its product. Therefore, Thailand is the only country that can export an amount as large as 100,000 tonnes of rice per delivery. Several ships from abroad have already been here waiting for shipments of Thai rice, he reported.

Meanwhile, foreign companies are negotiating with Thai counterparts for purchases of quality rice from Thailand. They are in the process of bargaining for lower prices on the product, he said.

In addition, the Thai association president remarked that although Thailand would be able to export more rice than the set target, Thai rice exporters should create some bargaining power on the price of the export product. This is because a high export price would help raise the domestic rice price, he pointed out.

From January to May this year, Thailand exported a total of about 1,700,000 tonnes of rice, which is a higher amount than during the same period last year, concluded Niphon.

Vietnam

Do Muoi Resigns From Council of Ministers

BK0908061191 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 9 Aug 91

[Text] This morning, 9 August, the National Assembly held a plenary session at the Ba Dinh conference hall under the direction of National Assembly Chairman Le Quang Dao.

Beginning the morning session, the National Assembly heard the following comrades answer questions by National Assembly deputies:

Comrade Cao Sy Vien, governor of the State Bank, answered questions about the interest rates of savings banks, the interest rates of bank loans to peasants for use as capital, and recent price changes in gold and foreign currency.

Comrade Hoang Quy, minister of finance, answered questions about the recent financial stituation and the prospects for the last six months of the year.

Comrade Tran Dinh Hoan, minister of labor, war invalids, and social welfare, answered questions about emergency measures for the livelihood of laborers.

Comrade Phan Ngoc Tuong, minister in charge of organizational work of the Council of Ministers, reported on the implementation of the resolution from the eighth session of the eighth National Assembly on the issue of reduction of staff personnel.

Next, the National Assembly switched to the issue of elections.

In his speech, Comrade Do Muoi, general secretary of the party Central Committee and chairman of the Council of Ministers, requested that he be allowed to give up his position as chairman of the Council of Ministers. The National Assembly accepted his request.

In his speech, Comrade Vo Chi Cong, chairman of the Council of State, pointed out that the chairman of the Council of State and heads of the National Assembly delegations unanimously nominated Comrade Vo Van Kiet, member of the party Central Committee Political Bureau and first vice chairman of the Council of Ministers, to the position of the new chairman of the Council of Ministers.

On behalf of the Presidium, National Assembly Chairman Le Quang Dao announced that all National Assembly deputies unanimously agreed with the nomination of Comrade Vo Van Kiet.

The Presidium of the National Assembly also nominated Comrade Phan Van Khai, member of the party Central Committee and chairman of the State Planning Commission, to the list of candidates for chairman of the Council of Ministers. However, Comrade Phan Van Khai submitted a request for the withdrawal of his name from the list, which was approved by the Presidium.

At the end of its working session this morning, the National Assembly carried on with the election of the chairman of the Council of Ministers. This afternoon, the National Assembly will continue its work at the Ba Dinh conference hall.

Vo Van Kiet Appointed Chairman

BK0908110091 Hanoi Voice of Vietnam in English 1000 GMT 9 Aug 91

[Text] Vo Van Kiet, member of the Political Bureau of the Communist Party of Vietnam [CPV] Central Committee, was selected chairperson of the Vietnamese Council of Ministers.

The election was held at the plenum of the current National Assembly session on Friday after deputies had reached a consensus on the proposal made by Mr. Do Muoi to be relieved of the post of the prime minister to assume the task as party general secretary.

Mr. Vo Van Kiet was born on 21 November 1922 into a poor peasant family in Chu Viet Village, Vung Liem District, Cuu Long Province.

His revolutionary background dates back to 1938 when he was active in anti-imperialist movement of the youth and became a party member in 1939.

During the anti-French resistance, Mr. Vo Van Kiet worked as a permanent member of the provincial party committee. Since 1955, Mr. Vo Van Kiet has in turn held the posts: Member of the Nam Bo Party Committee, deputy secretary of Inter-Provincial Party Committee of Hau Giang Province, secretary of Saigon-Gia Dinh Party Committee, secretary of the Ninth Zone Party Committee and member of the Secretariat of the Central Party Commission for the South.

Before South Vietnam was liberated, he was appointed secretary of the Special Party Committee for the Saigon Military Control Committee.

In 1976 he was appointed deputy secretary of the Municipal Party Committee, chairman of the People's Committee of Ho Chi Minh City.

Mr. Vo Van Kiet was an alternate member of the CPV Central Committee since the third party congress 1960 and he has been member of the party Central Committee since 1972.

At the fourth, fifth, and sixth and seventh party congresses he was repeatedly elected member of the party Central Committee, alternate member of the Political Bureau in 1976, and member of the Political Bureau of the party Central Committee since 1982.

Mr. Vo Van Kiet was deputy to the National Assembly sixth, seventh, and eighth legislature. Since 1982 he has assumed the post as vice chairman of the Council of

Ministers, currently chairman of Vietnam Committee for Sciences and Technology, vice chairman and first vice chairman of the Council of Ministers.

U.S. Congressmen Hold Talks With Co Thach

BK0808151691 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 8 Aug 91

[Text] A U.S. Congressional delegation led by Congressman Thomas R. Carper arrived in Hanoi on 8 August for a visit to Vietnam.

The delegation included Congressmen Pete Peterson, David Skaggs, John J. Rhodes, Jim Kolbe, and Wayne Gilchrest and a number of assistants and newsmen.

Nguyen Co Thach, vice chairman of the Council of Ministers and foreign minister received and held cordial talks with them.

The U.S. delegation held a working session with Dang Nghiem Bai, assistant to the foreign minister and the Vietnam MIA Agency. Both sides exchanged views on issues related to Vietnam-U.S. relations, including the MIA issue. The meetings proceeded in an atmosphere of openess and mutual understanding.

The U.S. delegation also visited the artificial legs and arms center in Hanoi built with assistance from a U.S. non-governmental organization. They will visit Ho Chi Minh and Danang cities.

Deputy Foreign Minister Talks With Xu Dunxin

BK0808130891 Hong Kong AFP in English 1256 GMT 8 Aug 91

[Text] Beijing, Aug 8 (AFP)—Vietnamese Deputy Foreign Minister Nguyen Dy Nien had two rounds of talks here Thursday with his Chinese opposite number Xu Dunxin on normalisation of relations.

The talks were strictly confidential and there was no information from either the Chinese Government or the Vietnamese Embassy here about what was discussed.

Both the official XINHUA news agency and national television passed over the meetings in silence.

But Nien was believed to be discussing the finer points of moves to normalise ties between the communist neighbours whose relations have been in cold storage since Vietnam marched into Cambodia and ousted the Khmer Rouge regime more than 12 years ago.

The talks apparently took place in a relaxed atmosphere at the Diaoyutai State Guest House. The two men were seen beginning their talks with only their closest advisors present but later more experts were brought in to join them.

Nien's presence here is the first at vice-minister level after a 14-month gap due to stalled Cambodian peace talks.

Vietnam and China back rival parties in the Cambodian conflict but have recently shown a willingness to move the peace process forward through a series of discreet contacts and "secret" visits.

(In Hanoi Thursday Vietnamese and diplomatic sources said the two countries were expected to announce in October that they were officially normalising relations.)

(This decision was reached during the secret visit here last week of the Vietnamese Communist Party's number two and Defence Minister General Le Duc Anh, the sources added.)

Nien is expected to continue his talks here Friday with an as yet unidentified Chinese official before issuing a press statement later in the day, a Chinese official said without elaborating.

Before Nien leaves for Hanoi on Saturday he is expected to meet with Chinese Foreign Minister Qian Qichen.

Radio Reviews Beijing Talks, Warming Ties

BK0908115091 Hanoi Voice of Vietnam in English 1000 GMT 9 Aug 91

[Text] The meeting between Vietnamese Deputy Foreign Minister Nguyen Dy Nien and his Chinese counterpart Xu Dunxin started in Beijing on Thursday.

This is the fifth deputy foreign ministerial meeting between two countries since 1980. The current meeting will certainly have a positive impact on the Sino-Vietnamese relations. It creates conditions for new development of the relations between the two countries.

For the past months, there has been notable development in the Sino-Vietnamese relations. Radio BBC reported on 1 August that present relations between Vietnam and China is on the rise. China pays special attention to opening up its border to trade with Vietnam. The Hong Kong News Agency China News (?Circuit) funded by China said that China proposed the official opening of a part of its border with Vietnam to increase trade with Vietnam and other Indochinese countries.

Meanwhile, China agreed to allow Guangxi Province to open its border line, waterways, and roads to Vietnam.

The relations in other fields between the two countries have also been improved step by step. At the recent press conference in Hanoi, a spokesman of the Vietnamese Foreign Ministry reaffirmed to Vietnam's aspiration for improvement and normalization of relations with China.

According to the Vietnamese Foreign Ministry, the two countries have many things to discuss and settle together such as economic and trade relations, transport, posts and communication, cultural and scientific cooperation, tourism, and sports.

As neighbors, Vietnam and China have a favorable condition to do this. China has made positive contribution to settling the Cambodian issue. After 10 years since

the Cambodia issue emerged, the relations between China and Phnom Penh has been tense and cold. But last July, Beijing invited Chairman Hun Sen, a representative for the State of Cambodia to visit China. Beijing also played host to a well-prepared and effective meeting of the SNC [Supreme National Council] in Beijing.

These moves are significant not only to the State of Cambodia and process of settlement of the Cambodian issue but also to the Sino-Vietnamese relations. Due to these developments, the current meeting between Vietnamese Deputy Foreign Minister Nguyen Dy Nien and his Chinese counterpart Xu Dunxin has been followed by political circles and international observers.

After 10 years of tension, public opinion is now talking a lot about the optimistic prospect in the Sino-Vietnamese relations.

AGENCE FRANCE PRESSE (AFP) said the meeting as well as other activities between China and Vietnam are [word indistinct] in breaking through the relations between the two neighboring countries Vietnam and China.

For his part, former Singaporean Prime Minister Lee Kwan Yew said Beijing and Hanoi have made fine development in their bilateral relations and for the settlement of the Cambodian issue.

However, it is hoped that following the current meeting between deputy foreign ministers of the two countries, the Sino-Vietnamese relations will make a positive development leading to the normalization of relations between the two countries, thus contributing to peace and stability in Asia and the Pacific.

Co Thach, Thai Counterpart Exchange Greetings

BK0808161391 Hanoi VNA in English 1410 GMT 8 Aug 91

[Text] Hanoi VNA August 8—Vietnamese Foreign Minister Nguyen Co Thach and Thai Foreign Minister Asa Sarasin have exchanged messages of greetings on the occasion of the 15th anniversary of the establishment of the diplomatic relations between Vietnam and Thailand (August 6).

In his message minister Nguyen Co Thach expressed his belief that with both sides' goodwill attitudes and efforts the friendship and neighbourly relations between the two countries would further be consolidated and developed in the interests of the two peoples, for peace, stability, friendship and cooperation in Southeast Asia.

Minister Asa Sarasin also expressed his confidence that it is time for countries in the region to cooperate with one another so as to make Southeast Asia a community of peaceful and prosperous states. The closer cooperation between the two countries, he added, will not only serve the interests and aspiration of the two peoples but also help accelerating the cause of peace, stability and progress in the region.

VNA Reports Exports to USSR, Japan, Sweden

BK0908075091 Hanoi VNA in English 0541 GMT 9 Aug 91

[Text] Hanoi VNA August 9—In the first half of 1991, the Vietnam Vegetables and Fruit Corporation (VEGETEXCO) exported almost 16,000 tons of products, over half of which to the Soviet Union, valued at 8.5 million U.S. dollars.

VEGETEXCO plans to achieve and export value of 8.4 million U.S. dollars in the second half.

—Also in the said period, the Vietnam coffee export-import corporation (VINACAFE) exported nearly 12,000 tons, having earned some 12.8 million U.S. dollars.

The corporation plans to export 17,500 toas in the second half of this year.

—The Nam Dinh textile complex (TEXTILIMEX Nam Dinh) has signed a contract for the U.S.$8.5 million worth export of products to the Soviet Union in 1991. By the end of July, TEXTILIMEX Nam Dinh had delivered the first consignment, valued at more than U.S.$2.6 million, to the Soviet Union.

Besides, it has also signed contracts to export U.S.$3.5 million worth of products to Sweden, Japan, etc.

—Tan Binh Cannery (Ho Chi Minh City) has signed contracts with the Japanese firms Koma Foods and Nissho Iwai for the export of bamboo shoots to Japan.

The factory plans to turn out 110 tons of bamboo-shoots this year and triple its output in the coming two years.

National Assembly Issues Communique No. 6

BK0808160691 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 8 Aug 91

[Communique No. 6 of the ninth session of eighth National Assembly—date not given]

[Text] After two days of group discussions, the National Assembly, on 8 August, held a plenary session at the Ba Dinh Conference Hall in Hanoi under the chairmanship of Chairman Le Quang Dao.

The National Assembly discussed the Council of Ministers' report on the socioeconomic situation during the first six months of 1991 and other pressing socioeconomic issues in the second half of the year.

Some 15 deputies expressed their concurrence of views with the Council of Ministers' report. They asserted that in the difficult situation at present, past achievements are very important and that the Council of Ministers has made progress in its supervision. The deputies also proposed appropriate measures to develop agricultural, industrial, and handicraft production, to control the price of gold and foreign currencies, to prevent and

minimize losses caused by natural calamities, create more jobs, and overcome degradation at public health offices.

The National Assembly will continue its plenary session at the conference hall tomorrow, 9 August.

National Assembly Reviews Socioeconomic Situation

BK0808115791 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 8 Aug 91

[Text] On the 8 August afternoon, National Assembly deputies held a plenary meeting in Ba Dinh conference hall to discuss the socioeconomic situation in the first half-year and urgent measures to implement well the second half-year plan.

In this afternoon meeting, 15 deputies made statements, namely Truong Ton Kha from Ha Nam Ninh Province, Hoai Thu from Quang Nam-Danang Province, Do Tri Hieu from Vung Tau-Con Dao Special Zone, Tran Thien Tu from Ho Chi Minh City, Phan Tan Tien from Hau Giang Province, To Dinh Cu from Binh Dinh Province, Tran Van An from Quang Ngai Province, Tran Quang Dung from Quang Nam-Danang Province, Tran Trung Nhat from Ha Tuyen Province, Tran Dinh Phung from Hai Hung Province, Dinh Binh Gia from Ha Son Binh Province, Nguyen Van Tu from Ho Chi Minh City and Nguyen Thanh Phong from Dong Thap Province.

Most of the views agreed with the Council of Ministers' report assessing the socioeconomic situation in the first half-year. The deputies analyzed the situation and suggested many solutions aimed at removing difficulties in agricultural, industrial, and handicraft production. Other issues discussed were consumption of products, problems of those installations that have long suffered business losses; measures to increase budgetary revenues and restrain overdraft; problems of unemployment and living conditions of cadres and state employees, and recipients of pension policies; discipline of management against corruption and smuggling, and some cultural and social issues.

Tomorrow, the National Assembly deputies will continue to discuss the socioeconomic issues in the conference hall.

Vo Van Kiet on Situation, Part Two

BK0808073191 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 5 Aug 91

["Second Part" of report by Vo Van Kiet, first vice chairman of the Council of Ministers, delivered at the 5 August plenary meeting of the ninth session of the eighth National Assembly concerning the socioeconomic situation in the first half of 1991 and the tasks for the second half of 1991—read by announcer]

[Text] Certain progress has been recorded in the cultural and social domains. In education and training, positive measures have been taken to implement the tasks of the 1990-91 school year at all levels and in all fields of study. Efforts have been made to improve the quality of cultural and scientific activities. Compared with last year, better progress has been made in implementing the level I education system and anti-illiteracy work. Nonetheless, the Level II and III education systems have been inclined toward irregular development. During the first several months of the 1991-92 school year, the number of school dropouts remained high and even higher in many mountain regions. As a result of the application of different forms of training, the improvement of the training process, and the implementation of a new scholarship system, vocational training and college education have continued to develop. Despite the fact that the state has made efforts to provide them with additional allowances, college students continue to experience very great difficulties in their daily lives.

Positive results have also been recorded in cultural, art, press, radio broadcast, and television services. Thanks to an outstanding effort and progress, initial results have been achieved in bringing television programs to every part of the country via satellite.

However, a major problem still exists and deserves everyone's attention. By this, we mean the tendency to commercialize a number of cultural and information services. Many literary works of fine ideological and national characters have hardly been made known to the public whereas many works of poor quality and mediocre taste have been published and distributed widely. The livelihood of many genuine artists is still fraught with difficulties and hardships.

This situation calls for efforts to classify cultural and spiritual works; to formulate a rational system and policy toward financial aid, capital, taxation, and so forth; and to work out an investment policy toward key cultural and information branches and projects.

Regarding public healthcare service, good results have been achieved in implementing an expanded immunization program aimed at innoculating against epidemics and diseases. Being supplied with additional equipment, a number of major medical facilities in Hanoi and other key areas have further improved the quality of medical care and treatment. The various programs designed to protect mothers and children and to implement population control and family planning have continued to expand their scope of activities, have enjoyed the support of the various United Nations organizations, and have achieved greater bilateral cooperation with each passing day.

During the first six months of this year, an allowance equal to 15 percent of the basic pay has been given to personnel in charge of the administration of nonproductive activities. People with very low wages or meager public assistance have all been given appropriate step increases. Altogether, an allowance equivalent to 23 percent of the basic pay or public assistance has been awarded to the recipients concerned. Spending has also

been increased to stabilize the living conditions of members of the Armed Forces. At the same time, continued efforts have been made to provide relief to those who have become redundant because of a reorganization of the productive forces. This measure has also been applied to those personnel in charge of the administration of non-productive activities.

Public security and order maintenance has been secured. The various phases of the crime suppression campaign have had good results. Criminal activities and the number of serious violations have decreased compared with the first six months of last year.

Marked progress has been made in public security and order maintenance. However, the results are not yet steady. Many cities and provincial towns still have numerous pressing problems to resolve to ensure public security and order.

In the struggle against corruption and smuggling, so far the Council of Ministers has constantly stepped up supervision and inspection work through numerous meetings with internal affairs agencies and local people's committees as well as through the promulgation of different directives and guidelines. More inspectors have been assigned to the various sectors and echelons. A number of local law enforcement agencies have been supplied with additional operating funds, cadres, and working facilities.

As regards anti-smuggling action, guidance has been focused on fighting the smuggling of cigarettes, illegal importing of motorcycles, and illicit exporting of copper and non-ferrous metal. Since early 1990, some 25,000 cases of smuggling, illicit business and trade of controlled goods have been arrested and dealt with. A number of major cases have been prosecuted and adjudicated. Some agencies and mass organizations have begun inspecting and revamping their economic units. Such production sectors as light industries, agricultural product processing factories and small engineering units have clearly improved the quality of their products to cope with competition of smuggled goods which is welcomed by consumers.

However, in view of the situation and the set requirements, the anti-smuggling struggle must still be conducted persistently with much more effort. Some sectors and localities have failed to provide close and regular guidance for the struggle while some others have even tolerated smuggling for profits to establish their own budgets. The anti-smuggling forces are mainly composed of full-time employed members, lack close coordination with social organizations, and have not succeeded in creating a broad mass movement.

The struggle against corruption is more difficult and complex. As yet, various sectors and localities have directly controlled many targeted units, provided guidance for many inspections and investigations, and dealt with several times larger numbers of cases of corruption than before. According to incomplete reports, administrative action has been taken against 16,500 persons including 5 high-ranking cadres, 6 cadres of departments and general corporations and some leading cadres of provincial level; criminal action been meted out against 6,700 convicts, mostly those charged with abusing trust; against more than 3,100 persons charged with embezzling state properties and against 2,100 convicts of corruption. Through such action, an amount of debts in terms of credits, materials and national reserves or long misappropriated taxes, have been recovered.

Facts of the struggle against corruption and smuggling have exposed some loopholes in the management mechanism which have been purposedly exploited by villains. Some 23 departments and sectors have revised 4,700 documents, abrogated 1,500 documents and amended more than 800 documents with a view to perfecting a step further the management mechanism and system and to helping curb corruption and smuggling.

The adjudication of corruption cases is too slow. As yet, only 960 out of 5,500 or more cases have been tried. The results of recovering lost assets for the public fund are still low. In some cases, quick and concerted coordination among inspecting, investigating, controlling, and adjudicating agencies was lacking. Some cases have been prolonged because of lack of unanimity over the adjudication viewpoints or the definition of crimes and offenses, and so forth, among the law enforcement branches or between the local functional agencies and responsible ministries.

The fighting of corruption is a permanent struggle because it is related to many issues such as the mechanism of socioeconomic management, policies, systems and the employment of cadres which can be improved only with time.

In general, in the first half of 1991, we have overcome a great many of the major problems. The achievements in the renovation process have helped us overcome difficulties and maintain socioeconomic stability. The lesson we should attentively derive herein is the need to carry on renovation along the lines of the seventh party congress and to promote solidarity and singlemindedness among various echelons and sectors and the society as a whole in order to firmly maintain major balances in agricultural and industrial production, budgetary revenues and expenditures, and export and import. Then, we can see more clearly the role of the state in renovating and using the legal tools as well as the large-scale economic leverages to managerially control the economy in keeping with the market mechanism.

Now come the pressing socioeconomic problems in the second half-year. The seventh party congress has asserted the strategic platform and pointed out clearly the orientations for our country's advance in the period of transition to socialism. Our duty is to concretize and institutionalize the party resolutions and the specific

programs and plans in order to guide all the operations in administering the country.

In the second half year, we must continue to carry out the still very heavy tasks of the 1991 plan which have been affirmed by the National Assembly while making preparations for 1992.

The following are pressing issues that we must concentrate our efforts to solve:

1. Difficulties in production and development.

Agricultural and industrial production issues, especially the production of essential goods, must be solved in order to stabilize the socioeconomic situation. The government must strive to resolve the grain issue, fulfill the production plan, regulate consumption throughout the country, and stabilize prices.

The summer-fall and 10th-month rice crops are growing satisfactorily. The sectors concerned and the localities must promptly eradicate harmful insects, be ready to cope with bad weather in the second half of the year, and minimize losses. While planting rice, localities should also grow subsidiary winter food crops, especially maize and other industrial crops.

The success of the recent drive to improve grain production in southern and northern Vietnam shows our ability to change crop patterns in the border regions, where grain production has been uncertain due to repeated natural calamities. The Council of Ministers will supervise the formulations of plans to improve this task.

Regarding fertilizer, insecticide, and electricity for water conservancy projects, the Council of Ministers has taken measures to improve import and transportation to ensure sufficient fertilizer for the summer-fall and 10th-month rice crops. Measures have also been taken to eliminate speculation and unneccesary middlemen who have created an artificial shortage of fertilizer in order to raise prices. Moreover, hog husbandry is being promoted to stabilize pork prices in localities. This is an important way to obtain more fertilizer, while increasing the amount of pork in the markets and creating more jobs.

The banking sector should continue to provide peasant households with loans to expand their cultivation. Loans have been granted according to the present regulations specifying the period and procedures, terms of payment, and interest rates, depending on the type of crop, locality, and season. This is to provide poor households with enough capital for cultivation, prevent them from selling their young paddies, and helping them to avoid borrowing money at high interest rates. Depending on the conditions, loans may be granted directly to production households or provided through the bank. The state bank can grant economic agencies loans for buying materials and equipment, with the latter settling their debts in the form of products.

On industrial production, there are enough essential materials such as fuel, cotton, iron bars, and steel sheets for the third quarter, while more materials are being imported for the fourth quarter and the early months of next year.

The ministries concerned must increase their control over material use and encourage thrift to save material for key projects of state-run and non-state production establishments. These ministries are duty bound to provide guidance for material production establishments at home to [words indistinct] so as to increase their production output to help meet the requirements of the national economy and accumulate a surplus for export.

Southern provinces at present are experiencing an acute shortage of electricity, especially during the dry season when hydroelectric power plants face water shortages. As a result, the electricity sector should coordinate with localities for the optimal use of oil-powered generators while saving electricity in daily activities. Foreign cooperation and loans should also be sought to increase electricity production for the southern and central regions.

The most pressing issue of industrial and handicraft production establishments at present is markets for their products. In resolving this, the Ministry of Commerce and production establishments are, on the one hand, striving to expand markets at home and abroad, especially those of neigboring countries. On the other, the variety and quality of goods are being increased and improved to meet market demands, especially in domestic markets. We must advertise goods through the mass media. The finance and banking sectors should grant more loans to key production establishments which already have markets and are capable of increasing their production. Industrial production and management should be reorganized and the transfer technology improved to key industrial production establishments. We should change the form of ownership of establishments which have operated at a loss for a long periods and dissolve them if necessary.

For privately-run enterprises, the state should provide support as stated by the recent law on private business and related decrees. Business establishments engaged in smuggling and illegal trading will be dissolved.

2. It is necessary to apply incentives aimed at accelerating import-export operations. Every effort must be made to fulfill the export index set for the latter half of this year so as to guarantee sufficient materials in support of production in the last six months of this year as well as to prepare for next year's production plan. Efforts are needed to increase production output in order to increase the volume of such export goods like crude oil, coal, marine and mineral products, and silk thread.

Many Mekong River Delta provinces still have a significantly large quantity of surplus grain and commodities at their disposal. The Ministry of Agriculture and Food Industry is duty bound to coordinate with the local people's committees in seeking ways to help peasants with the sale of their surplus goods, taking into account

the need to meet the specific requirements of export for each period of time while at the same time guaranteeing sufficient food supplies for local residents as well as for people in other parts of the country. It is also necessary to bear in mind the need to keep enough grain reserves to guard against mishaps that may arise from current weather changes in the northern and central provinces.

Regarding imports, continued efforts must be made to exert uniform management over the priority use of foreign currency to import materials in support of production and other essential goods to meet the people's daily requirements. It is imperative to limit to the maximum those commodities that are not really necessary, especially those products that have already been produced domestically. To this end, it is important to make better use of the various management tools relating to import-export tax brackets as well as to continue to adjust the import-export tax scale categorization and permit issuance processes, thus ensuring tight control and securing conditions for satisfactorily meeting the requirements of economic development and for preventing negativism.

The Council of Ministers has adopted concrete measures like a preferred tax treatment policy and an incentive policy toward investment in export products, and has set up an export promotion fund. It is necessary for the banking, financial, trading, and customs services to translate those measures into concrete legal documents and most importantly, to promptly adjust foreign currency exchange systems and get rid of complicated administrative procedures likely to cause difficulties and inconveniences to exporters.

3. Regarding financial and monetary affairs, budget management will continue to remain very heavy and complicated in the last six months of this year. There is a growing demand for spending but there are new limitations on the sources of income. Therefore, it is of primary importance to take positive steps to guarantee satisfactory fulfillment of tax collection targets, first of all through strict enforcement of financial laws and regulations.

The incomes generated by the state economic sector constitute the most important source of domestic contributions to the state budget. All ministries, sectors, and localities are duty bound to help enterprises resolve their difficulties in terms of capital, marketing, and reorganization of productive forces. In this way, there will be conditions for them to score fine production results, preserve capital, and fulfill their tax obligation to the state.

It is necessary to inspect and revamp the various state-run business organizations, including those establishments operated by the Army, public security service, and mass societies, so as to ensure that business operations proceed according to the law and make tax contributions to the state budget.

It is important to see to it that components of the non-state economic sector follow a bookkeeping and voucher system strictly in compliance with business regulations and that they fulfill their tax obligation as specified by the law.

Like taxes, all major fees must be remitted to the central state budget. It is imperative to tightly oversee the collection and use of fees already specified under the various financial regulations by the localities. It is strictly forbidden to impose new fees.

Regarding those localities that experience crop failures, it is necessary to implement the various policies governing agricultural tax exemption and reduction specified by the law.

Efforts should be made to revise and adjust some tax rates to suit realities. Most importantly, people's committees of provinces must provide guidance to local sectors and echelons to seriously implement the tax laws and regulations, strive to fulfill tax collection targets, and consult with the Ministry of Finance to revise some inappropriate points of these regulations if warranted. They are not allowed to arbitrarily revise these points. Efforts should also be made to strengthen and enhance the ability of tax officials, especially at key localities.

While paying attention to tax collection, we should strive to satisfactorily manage expenditures and promote thrift practicing in administrative and wasteful expenditures for ceremonies, anniversaries, and nonessential functions. We must use state budget within the permissible limits with priority given to the most essential requirements.

Efforts should be made to overcome the overdraft situation by striving to fulfill all tax collecting and practicing thrift in our expenditures. The solution of issuing more money to compensate for budgetary overdraft is not applicable. As a result, we should issue more government bonds with different terms of payments, appropriate interest rates, and the rights to transfer and so forth to mobilize more money from the people.

In early 1991, various sectors and echelons have come to term with the Council of Ministers on a number of principles for this year's financial management. These include measures to collect more revenues from localities with consistent incomes, some contributions from self-sufficient localities, and a reduction in expenditures of units relying on state subsidies. These are urgent requirements and essential measures to improve balancing the state budget and stabilization of the national economy.

In reality, during the first six months of this year, thanks to the strengthened management, revenue collections have been increased as compared to the corresponding period last year. About 20 provinces and cities have achieved more than 50 percent of their annual collection plan norms. However, many provinces have not seriously collected revenues for the state. Some tended to

increase expenditures while collecting less revenues, and not a few of them even usurped the state budget. It is necessary to stress here that an effort to reduce overdraft is the most important task at present that all state agencies must strive to achieve.

The banking sector must strive to improve its activities, clearly define the state bank's functions in managing, regulating, and circulating money as well as its control over commercial banks' foreign exchange activities.

Besides its efforts to satisfactorily carry out concrete tasks during the first six months of this year—these include efforts to ensure credits for key projects, settlement of debts, and loans for peasant-fisherman housholds and handicraft producers—the state bank must be prepared to improve activities in the money market and at the foreign exchange office. It should speed up procedures to grant licenses to foreign banks to open their branches in Vietnam, provide more training courses for banking officials, help commercial banks to enhance their business capability, gradually establish relations with the money market within the framework of the law, eliminate step by step subsidies for credits, and help financial agencies to overcome shortcomings in their tasks. The state bank must promptly perfect the regulations on foreign exchange management for application in the second half of this year, strive to eliminate speculation on foreign currencies and the payments of debts at home in foreign money which is developing dramatically at present.

The state bank must satisfactorily provide help to credit corporations, government bond agencies, and the treasury department in issuing new forms of government bonds and in regulating incomes and expenditures.

Further on Situation, Last Part

BK0808165391 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 5 Aug 91

["Last Part" of the socioeconomic report by Vo Van Kiet, first vice chairman of the Council of Ministers, at the 5 August meeting of the eighth National Assembly's ninth session in Hanoi—announcer read]

[Text] Now, I mention some issues concerning livelihood. As regards state employees of the administrative and professional sectors and those recipients of budgetary pensions, we should continue to implement well the promulgated guidelines and policies on livelihood. The reform of wage systems is a pressing yet very complex problem because the economy is in a dire strait of low productivity and efficiency and must be linked closely to many other major socioeconomic policies and to the anti-inflation struggle to maintain stability of market prices. As a result, we should study and solve the problem step by step in close connection with policies on the reorganization of management apparatus, the rearrangement of administrative and professional organizations and the streamlining of administrative staff, with housing policies to include housing allowances in wages, with the medical and educational systems and social security policy, and so forth.

Along with studying to basically settle the wages system, it is necessary to implement some immediate measures to improve the living conditions of state employees of the administrative and professional sectors, the Armed Forces' members, and recipients of pensions. The state should earmark some funds to grant pensions to some recipients in the hardship areas, especially retirees and recipients of pensions.

Concerning health protection in the second half of the year, we should implement measures to prevent summer epidemics, make preparations for promptly stamping out possible pockets of epidemics such as cholera and hemorrhagic fever, carry out plans to control goiter and malaria, focusing on targets in 28 provinces where many people are affected. Sectors involved in these activities such as finance, public health, and trade should coordinate closely with one another to ensure high results and reorganize the network of diagnostical and therapeutical installations of the entire health sector. These sectors should also improve the treatment line and practically care for the living conditions of health cadres at the grassroots level and accomplish the health insurance system countrywide, aiming to gradually raise the quality of diagnostics and therapeutics for the people.

We should continue to implement the program for population control and family planning and further expand propaganda and education to stir up the awareness and willingness of each person and each family. We should also organize a broad network to provide technical guidance for contraception and provide contraceptive devices suitable to each locality. Furthermore, we should attentively conduct basic and advanced training of specialists and mobilize retired health cadres and private medical cadres to participate in the program. At the same time, we should mobilize the machinery of all sectors along with consolidating the organization and assignment of competent cadres to the task of population control and family planning in all sectors at all levels.

We should continually intensify the assurance of order and security. This is a very complex issue in social management. We should generally review the implementation of Decision 135 of the Council of Ministers and continually carry out appropriate and effective measures to fight crimes. We should intensify managerial, administrative, and legal measures while paying utmost attention to the educational and motivational tasks to mobilize all the people to participate in the maintenance of security and order which is aimed at preventing negativism and participating in effectively dealing with negativism. The culture, information, and education sectors should coordinate with social organizations and internal affairs sectors to launch a movement to build a cultural lifestyle and restore discipline and order in each street area and village.

We should continually struggle against corruption and smuggling. We all know that smuggling and corruption have caused serious shortfalls in budgetary revenues, suppressed domestic production, contended for all business opportunities of honest businessmen, degenerated cadres and eroded law and discipline. Socioeconomic results at a certain moment will become serious political problems. While promoting renovation, our state has never neglected the fighting of smuggling and corruption, has not relented its administrative and economic action against anyone's smuggling and corrupt activities regardless of whether they are conducted on a small or large scale, and has considered it a major and long-term task.

Since smuggling and corruption have been taking place abnormally, concerted and strong administrative action must be applied. As a result, we have immediately organized full-time anti-smuggling, market management and budgetary revenues collection units. After a short time of operation, the efforts of these organizations have brought about their effect. The problem now is to establish an appropriate mechanism for these organizations. The weakest part in the current administrative measures against smuggling and corruption is adjudication. As yet, of the 28 typical economic cases in 1991, we have tried only eight cases and completed investigation into 10 cases and are investigating 10 cases.

In the second half of the year, law enforcement agencies should coordinate more closely with one another in investigation and adjudication; more accurately redetermine targeted units and cases, and resolve targeted cases. Long-delayed cases should be settled promptly. A study should be made on new ways of meting out punishment suited to the needs of everyday life, and to adjudicate hard-core criminals who have caused serious harm to the life and dignity of the people and encroached on the properties of the state, collective and people. Crimes should be dealt with as soon as an investigation is completed. Sentences must be carried out immediately after being decided by the tribunal.

The struggle against crimes should entail the recovery of state and private property. Moreover, the Council of Ministers should continually provide guidance in reorganizing the management mechanism and revising published documents, particularly those used to support the fight against corruption and smuggling. This is also an important step in enhancing the level of state management by law and according to law.

The responsibility of leaders of all sectors at all levels should be stressed again. They must exercise their power themselves and not give carte blanche to subordinates. Leaders of higher echelons should not interfere with local law agencies which are the adjudicating units of their sectors and are stationed in those localities. Local law enforcement agencies should discharge their duties and be responsible for dealing with violations by units from the central level or other localities stationed in their area. Close coordination among internal affairs agencies for unified action is an important requirement for effectiveness.

Dear deputies: The Council of Ministers has reported pressing socioeconomic problems in the second half of 1991 and the main measures to solve them. While implementing these tasks, state agencies must urgently establish an action program to implement the seventh party congress resolutions and the main guidelines and tasks for the 1991-95 five-year period set by the congress. The implementation of these tasks are paramount in the shift towards the multisectorial economy of commodities under state management and in the socialist orientation to ensure the comprehensive development and stability of socioeconomic and political lives.

Economically, we should continually perfect the economic and new management mechanisms, implement the five-year 1991-95 plan, develop the potential of all economic sectors, and create a firm ground for political and social stability. The most urgent are agricultural development programs and building a new countryside, establishing the national policies on finance and currency and improving distribution and circulation.

We should formulate various programs to solve pressing social problems in areas such as unemployment, wages, education, training, public health, social security, population growth and family planning, social ethics and culture.

On national defense and security, we must aim to defend the independence, sovereignty, and territorial integrity of the homeland, its national security, social order and safety.

With regards to foreign relations, we should implement programs for expanding cooperation and friendship with all countries, especially neighboring and Southeast Asian countries; work to lift the trade embargo, expand foreign economic ties and create favorable conditions for national construction and defense.

Finally, we should establish a program to build a legal state, reform the state machinery, amend the constitution—the fundamental law of the country—and improve the organization and operation of the Council of Ministers and administrative agencies at all levels.

The aforementioned programs will be cemented with specific contents and be implemented in each specific period with the participation of experts at home and abroad, with suggestions of people from all strata. This is also an opportunity for our compatriots, including overseas Vietnamese, to take part in building the country.

Dear deputies: Our economy is shifting from a centralized to a market-oriented one under state control, and is gradually scoring new achievements. In 1991, apart from the inevitable difficulties in renovating the economic

structure and mechanism, we have encountered unexpected ones. By surmounting them we can believe more firmly in the achievements of the renovation and confidently carry on the process.

The tasks in the second half of 1991 are very great while difficulties are still rife and more complex. We have to fulfill pressing socioeconomic tasks. Yet, more importantly, we must organize and implement satisfactorily the tasks set by the seventh party congress in preparation for the the development steps for 1992 and for the five-year 1991-95 plan.

In light of the seventh party congress resolution, our people will certainly score great achievements.

Hai Hung Province Prepares 2d Round Congresses

BK0908124291 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 8 Aug 91

[Text] According to a plan of the Hai Hung provincial party committee, the second round provincial party congresses will be held beginning mid August. Congresses higher than the grass-roots level will be held in September and grass-roots level congresses will be completed in October 1991.

In the course of preparations for congresses at all levels, Hai Hung provincial party committee has continually reorganized itself by renovating party organizations, compiling well its political report, and selecting carefully the personnel for its new tenure.

On the basis of making key provincial and higher-than-grass-root level cadres thoroughly understand the seventh party congress resolutions, the party committee organized symposia to initially compile its political report.

In their conferences, delegates from village and district party organizations and those party organizations directly subordinate to provincial party committee, discussed and contributed nearly 600 ideas to the draft report. Representatives of mass organizations, notables, and intellectuals in the provincial Fatherland Front exchanged views with one another and contributed many views to the draft political report.

All the constructive suggestions of cadres, party members, and the people were condensed in brochures that will be edited by a publication sub-committee and perfected by the provincial party committee before they have been presented at the party congress for decision.

New Bridges Under Construction in Central Vietnam

BK0908074291 Hanoi VNA in English 0543 GMT 9 Aug 91

[Text] Hanoi VNA August 9—Construction has started on the Dong Ha bridge across Hieu River on Highway 1A in Quang Tri Province, Central Vietnam.

The 3-lane and 5-span bridge, 171m long and 15m wide, will be passable to heavy trucks of from 30 to 80 tons. It is being built by the Union of Thang Long Bridge-Building Enterprises to replace the old Dong Ha bridge which is beyond repair.

Also on this national highway, another bridge, Cau Doi, is being built at an estimated cost of two billion Vietnamese dong. The bridge is 60m long and 17m wide.